THE CHINA WEEKLY REVIEW

密勒氏評論報

A Weekly Newspaper Established In 1917

March 6, 1948

THE WAR IN MANCHURIA

AN EDITORIAL

Politics Versus The Constitution

C. Y. Chen

Why Exporters Despair

J. R. Kaim

Censorship Revealed In Tokyo

Hugh Deane

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AN EDITORIAL

VOLUME 109 CNC$30,000 NUMBER 1

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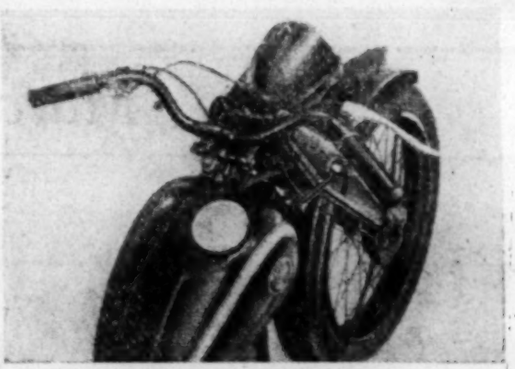

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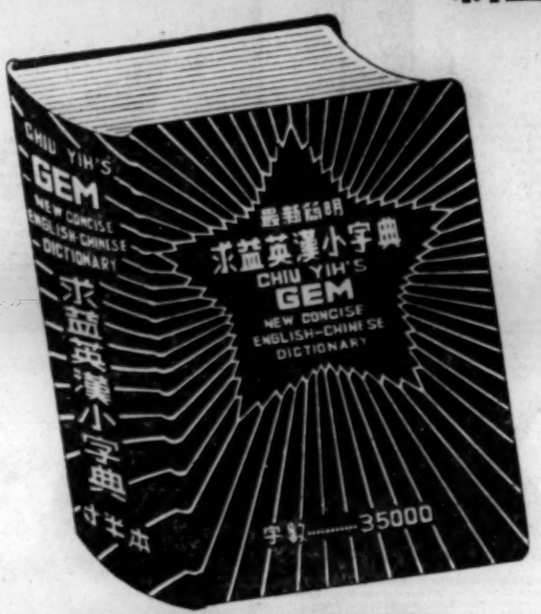

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LETTERS From The People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of The China Weekly Review.

The Deadly Germs

To The Editor:

It seems ridiculous that up to now, the Far Eastern International Tribunal in Tokyo has not brought the Number One warmonger Tojo and his fellow travellers to justice, though, according to the press, it has already spent a long time in investigating their doings at the time of the Japs' "Great East Asia Coprosperty Sphere" plan.

Tojo is reported to be still in his palace of a prison. We should say the Tribunal is far from satisfactory in its handling of mosquito affairs, to say nothing of grappling with anything of such huge importance.

Those militarists are like deadly germs. Therefore, to sentence them to death is to save the world. We have already seen a number of German and Italian ringleaders vanish from sight. Dear judges, do you still deem the time inadequate for you to gather proof and give sentence?

Some people say that it is General McArthur who protects those war criminals and that he may even set them free in the future when conditions permit. If it is so, the General is conducting himself like a fool.

You judges must know the situation better; we hope sincerely that you will put these war criminals to death immediately, irrespective of what influence is being exerted over you. Otherwise, the Fascist force will not be exterminated for another generation.

FULL CHOW.

Taipeh, Taiwan,
February 22, 1948.

Charity's Perfume

To The Editor:

Three years ago, sheer necessity drove me to be a petty civil servant before I had finished high school. That put an end to my happy school days and crushed my dream of campus life. When in school, I had been interested in English though I did not have a great command of it. Now I am going to set up a small reading club with some friends to study the English language and literature. Naturally we require a large variety of English books and several kinds of good advanced dictionaries and thesauri to help develop our stock of learning. But owing to physical difficulties and restrictions on foreign exchanges in this country, it is none too easy for the time being to get English books imported from abroad; in the meantime, none of us can afford to purchase many.

It occurs to me that perhaps some of your readers may be interested in our reading plan and might be glad to see what they can do for us. We will appreciate it very much if any one can donate us some new or used magazines, novels, literary works and reference books.

Help is the perfume of charitable deeds.

What is given blossoms;
and what is kept perishes.

WANG WEI.

32 Hsien Tung Hsiang,
Tsinan, Shantung,
February 24, 1948.

THE CHINA WEEKLY REVIEW

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Small Potato

To The Editor:

I am one of the small potatoes of an institution, receiving a scant salary which has to support my parents, wife and four kids. Because of economic difficulties, I started to work when I graduated from high school. It is unfortunate that I could not finish my school education, but compared with the millions of Chinese youths who have had no schooling at all, I am fortunate enough. Abe Lincoln, whom I admire, had only a few months' schooling. So I work in the day study in the night when the kids have gone to bed.

I am very interested in the *Review*. Often I spend hours reading it in a bookstore. Finding it very inconvenient to use an English dictionary when I see new words, I have tried several times to subscribe to your paper for a period of three months; but its subscription rate always seems such a large sum that I hesitate all the time.

Now your subscription rate has been adjusted again, and my salary remains the same. With the soaring of commodity prices, my economic condition becomes even worse. If things go on like this, I shall never be able to subscribe to your *Review*.

J. Y.

Nanking,
February 29, 1948.

A Dangerous Element

To The Editor:

Your expiration notice has been duly received. As one of the most earnest readers of your esteemed *Review*, I regret that I cannot afford to resume my subscription. Shortly after I first subscribed, I started to translate some of your editorials and articles into Chinese for the local papers, hoping to introduce your broad, liberal, unbiased and progressive views on current events to the Chinese people. But because of this, I was treated as a dangerous element and was subsequently dismissed from my office. I continued my translation work, however, but three months' unemployment has thrown me into great hardship, forcing me to stop my subscription to your paper temporarily. But you may be assured that I will renew it as soon as I can afford it again.

The situation in Kwangtung is worse than ever today. Most communications are severed; about 90 districts out of 100 are reported to have some sort of agrarian agitation or rioting; the local government further deteriorates and commodity prices soar faster than ever, especially during the last few days.

H.K.K.C.

Canton, Kwangtung,
February 26, 1948.

Scant Salary

To The Editor:

Through the kindness of an American subscriber, I have enjoyed your *Review* for the past three months, for which I am very grateful.

For these months, it has been my bosom friend; I always read it word by word. It acts as a leading force on the road to brightness and justice in China.

I wish that every intellectual in China could read it so as to catch up on the true stories of current events. As for me, I would like to subscribe to it all my life if my financial condition permitted. Temporarily, however, I have to say good-bye to you because of my scant salary. However I will try to read it in the bookstores and libraries here.

M.C.K.

Nanchang, Kiangsi,
February 27, 1948.

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Of Little Significance

To The Editor:

I am sorry that my subscription to the *Review* has come to its end. Because of my low salary, I cannot resume it for the time being. But I hope my financial condition will be improved and I shall be able to enjoy your paper soon again.

By the way, I would like to suggest that you cut down the space for the "Letters From The People" to make room for literature such as novelettes, short stories or even poems, which may make your *Review* more vivid and interesting and more appreciated by your readers.

H.F.L.

Liuchow, Kwangsi,
February 21, 1948.

Looking Forward

To The Editor:

Again my subscription to the *Review* has come to its end. The last six months' subscription was presented to me by an American friend. When I first received his gift, I said to myself: "After this six months' subscription has ended, I must renew it myself." But the day has come and my economic condition remains unchanged. On the contrary, it is even worse. The Government has recently dropped Shensi from third class to fourth class on the salary payment standard. But my four children are growing older and needing more.

Dr. Tao Hsing Chih once wrote in one of his poems: "Last year we looked forward to this year; this year, however, we have still only ragged cotton-padded clothes." This fully reflects the poor situation of the Chinese lao pai hsing, including the school teachers and the civil servants.

Though CNC$350,000 for three months' subscription to the *Review* is really a small sum to the rich, whose one meal costs much more, it will cover half a month's living expenses for a teacher. I love the *Review;* it has helped me a lot and frequently comforted me. But I am obliged to bid it good-bye for a time. Btter days, I think, will come soon.

T. S. S.

Lintung, Shensi,
February 17, 1948.

Heavy Heart

To The Editor:

I am a constant reader of your esteemed *Review* which is one of the leading papers in China today. Through the bold and righteous reports in it, we can get a clear idea of the current events both domestic and abroad. It is no wonder that your *Review* has won the hearts of many truth-loving people and admiration from a great many progressive intellectuals.

I am sorry that I shall not be able to resume my subscription which will expire on February 21. As a poor student, I cannot afford to pay CNC$20-,000 per copy of the *Review* and have to bid good-bye to it, my spiritual companion, with a heavy heart. But I will keep on reading it in the nearby libraries or bookstores. Perhaps, I shall be able to read it again in the near future when my condition permits. I hope I shall.

S. Y. H.

Soochow, Kiangsu,
February 16, 1948.

(Through the kindness of an American subscriber the subscriptions of H.F.L.J.Y., H.K.K.C., S.Y.H., T.S.S. and M.C.K. have all been renewed for three months. However, the Review's subscription fund is now exhausted, so until we receive further advances from affluent American and Chinese readers we shall be unable to extend any more free subscriptions to the Review.—Editor.)

Hold The Roof

To The Editor:

Harold Isaacs' review of Freda Utley's "Last Chance in China," wasn't bad, in that it pointed out certain of her many weaknesses. But it failed to give enough of the strong points in a book that, I think, save for the Shanghai chapter, should be read by every American not yet convinced of the dangerous absurdity, from a Chinese and American viewpoint, of the China program of the Lattimore-Snow-White-*New York Herald Tribune-Washington Post-Christian Science Monitor* Axis.

Judd and Bullitt complain of the State Department's "Red Cell," some 10 or 20 specialists on China who were prominent at the time of Stilwell's failure, but who, according to you on January 17, are highly intelligent and know both the Chinese language and the Chinese situation thoroughly. If Americans follow the Trial and Error system in diplomacy, isn't it about time to admit that the policy advocated by this clique has again failed—from a US and China viewpoint, that is? If these people are working for Russia that should be pointed out unceasingly, whether they're Reds or only Liberals.

The Lattimore argument, that the KMT is too corrupt to be aided and that the Chinese Reds aren't the spearhead of a foreign invasion, ought to be subjected to relentless criticism. No one denies the corruption, but countless people who have lived on both sides of the Iron Curtain here, and know better than Lattimore what they're talking about, say the Red corruption is 10 times worse—in both principle and practice. If we must choose between corruptions, the rational choice goes 10 to one against the Reds; for an American or Chinese.

I consider you a smart man, Mr. Editor; and your recent editorial pointing out who are the honest men among the top flight KMTs seems to indicate a solution—praise them, back them, gradually eliminate the riffraff, pull for a living wage, and help to build something worthwhile. That is constructive criticism, instead of the counsel of despair: "Turn over China to the Reds." That doesn't help China or the US, but it does help Moscow.

Yesterday, I showed the Lattimore plan to a foreigner who has spent three years in the Red areas and was rescued by Nationalist troops two weeks ago. He ridiculed Mr. Lattimore, and said the Chinese Reds are definitely a foreign invasion. At all their meetings the portraits of Stalin and Lenin have the places of honor above those of Mao Tse-tung and Chu Teh.

"Never once in three years did I see the Chinese flag in any Red meeting; always a Red flag, with no Chinese characters but only Russian letters and the hammer and sickle. When I asked them why no Chinese flag, they always answered, 'Russia is our Communistic leader.' When they spoke lovingly of Russia as a paradise of riches and happiness, I expressed surprise, saying that I had personally passed through Russia from the Far East to Paris a few years ago. They shut up like clams.

"They sing from morning to night—but all the tunes are Russian: I've heard them sung by Shanghai Russians, Their only foreign news comes from Moscow. Their ideas are Russian, their methods are Soviet Russian. What else do you want for a foreign invasion?"

It's a serious responsibility for an editor to favor elements that make no secret of their aim to drive every foreigner from China. A leaky roof is better than none; don't help to pull it down on our heads, Mr. Editor, No more Lattimore.

Shanghai,
February 29, 1948. USA

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UnenlightenedVillages

To The Editor:

Anyone who pays attention to the Chinese social structure with keen observation will find there are two different worlds in China. Some people in the city have a high standard of living, more luxurious than the rich Americans in the modern age, while people living in the interior are living more wretchedly than the natives of Africa.

With the development of the industries, the cities grow more prosperous day by day; communication facilities, political organizations and schools are all centered in the cities. Therefore the cities become the centers of politics, economy and culture. Students who come from the villages to study in the cities after their graduation, usually remain there instead of returning home. Statesmen, scientists, lawyers and literary men also refuse to go to the villages. They stay in the city partly owing to necessity and partly because of the ease of living in big cities.

Accordingly, with the intelligentsia assembled in the cities, the villages remain unenlightened. The people in the cities enjoy various modern discoveries, while the poor villagers are still ploughing their fields with the implements of the 18th century. The people in the cities are alarmed by the menace of the atomic bomb, but the villagers are still dreaming of the re-appearance of the absolute monarchy.

In addition to the inconvenience of communications and the degeneration of education which have split China into two worlds, the difference in salaries of the public functionaries in the major cities and in the small towns or villages also helps depress the villages. During the last two years the salaries of the public functionaries in the major cities like Shanghai and Nanking have been five times higher than those of the functionaries in the small towns. This makes most of the able persons crowd into the cities.

It is undeniable, of course, that China has made great and rapid progress in the last few years. But this improvement is only in the cities, a small part of China; the villagers remain unenlightened.

HSU SHIH-CHEN.

Kaifeng, Honan,
February 25, 1948.

Unfair To Kiukiang

To The Editor:

It has been stipulated that Government functionaries are to be paid in accordance with the standard of living in various districts. Shanghai and Nanking are, therefore, included in the first grade, Hankow and Wuchang in the second, and Anking and Wuhu in the third. It is quite a reasonable and fair arrangement for the above-said cities.

But Kiukiang, one of the more prosperous cities along the Yangtze River and the main gate to Kiangsi province, has been put in the fifth grade, which I cannot understand. The living standard in Kiukiang is the same as that in Wuhan, Anking and Wuhu, and is much higher than in Nanchang, the capital of Kiangsi. It is very unfair that the civil servants and teachers in Kiukiang should be so ill-treated.

Though we have proposed and lodged a protest with our Provincial Government, so far no result has been forthcoming. Being a public servant as well as a citizen of Constitutional China, I have the right to call upon those high officers in Nanking to reconsider the rate of payment in Kiukiang so as to give the poor creatures here a chance to live.

A PUBLIC SERVANT.

Kiukiang, Kiangsi,
February 22, 1948.

Murderers Of Youth

To The Editor:

The intrusion of petty politicians and party workers into the educational field is a great misfortune to the Chinese youth. Needless to say, these people are not interested in education at all. Under the banner of "educate the youth," the school principles are really trying to elevate their own social standing and to gain a number of supporters for their political activities. They regard the school as their own property. Instead of thinking how to improve the school administration, they have only in their minds how to make money. They hire their relatives for key posts in the schools, excluding those learned and experienced teachers who are self-respecting and not willing to stoop to flattery. As a result, the standard of most of the students is very poor. They are hardly able to pass the college entrance examinations after their graduation from middle school. Nor can they find any work to do. Numerous youths come out of school as idle, good-for-nothing fellows. Are these so-called school principals not the murderers of youth?

On behalf of the Chinese youth, I suggest that a school principal must be a learned man of noble character, willing to devote his whole life to education free from political activities.

Y. S. CHENG.

Nanchang, Kiangsi,
February 26, 1948.

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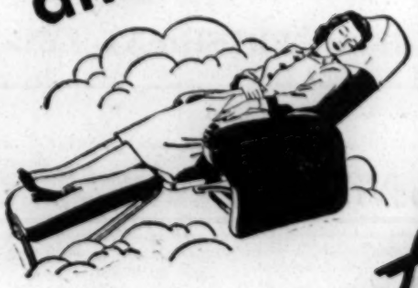

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Doomed To Failure

To The Editor:

I was not very surprised at the unhappy news that the Shanghai Municipal Government and the Shanghai-Woosung Garrison Headquarters had issued a "shoot to kill" order, as a means of checking any anticipated riots and disturbances. Our Government has long forgotten the interests of and its duties to the masses. It has been distinguished only for its short-sightedness and selfishness in forming its policies and managing its affairs.

However, the effects of such an order have yet to be seen. Two thousand years ago, the philosopher Lao Tze said: "If people fear not death, why threaten them with death? In the light of history, this statement is convincing. Our ancestors refused to bow before the swords of tyrants, nor were they discouraged in their fight against oppression, even when they saw their fellow countrymen slain before their eyes.

If force alone was a solution, the Ch'ing, Han, Tang and Yuan Dynasties might have survived until today—especially the Yuan, which was famous for its militarism throughout the world at that time. What became of them? They all perished.

I dare to predict that the "shoot to kill" order is doomed to failure. It may give a temporary respite, but the deep-rooted social ills will force uprisings again one day, and no amount of force will be able to suppress them.

It is still not too late for the Kuomintang to reconsider its policy towards the people and adjust them in the right direction, if it wishes to enlist the support and cooperation of the people. The Government is wrong in attributing "every movement against the status quo to the Communists," to use your words. It is easy to see that it is not the Communists who are drawing the people into their embrace, but the Nationalists who are driving the people away.

MAN IN THE STREET

Kunming, Yunnan,
February 22, 1948.

Spiritual Thirst

To The Editor:

Those who live in the cities on the coast can hardly imagine what a miserable life the students in the interior lead, especially in respect to spiritual food which the former can easily acquire.

Sian, the largest city of Northwest China, is fairly prosperous, with wide streets, gorgeous shops, buses, automobiles and high buildings. But culturally speaking, it is a desert.

It is true that all the famous book companies in Shanghai have branch offices or agents at Sian, but the books sold there are either out of date or too expensive. For example, the price of the Comprehensive English-Chinese Dictionary, published by the Commercial Press, was recently raised four times within a week, from CNC$750,000 to CNC$1,200,000, to CNC$1,250,000 and finally to CNC$1,500,000. Certainly, such a dictionary in Shanghai and Nanking would be much cheaper. The magazines are also sold at double prices here.

As to foreign languages textbooks and reference books, before the disruption of the Lunghai railway, the inland students could usually manage to buy them directly from Shanghai or indirectly through the local agents who imported

such books. At that time, it took one month or so to get a book from Shanghai and about six months from the United States. Now with the war raging in Honan, it takes eight months or even one year to get a book from Nanking, save by airmail which, however, most students cannot afford.

As a result, the students here begin to turn their eyes towards the West, especially those who are studying the Russian language. (In China today, many Chinese, both young and old are eager to learn this language so as to understand, to some degree, that mysterious Giant of the North.) In Sian, a Russian-English dictionary is not obtainable at all. In my case, I got one through a pen-friend in Tihua which cost me only CNC$125,000. Now quite a number of students are ready to buy books in both English and Russian from Tihua. But Tihua is actually not an ideal place for books, for there are only a limited number obtainable and suitable for use.

Regarding literary periodicals of any kind, there are none published in Sian. Even newspapers, with the exception of a few tabloids, have been deprived of their literary supplements as a result of the Government's restriction on newsprint.

In short, we, the interior students, are leading a barren life. We do not care for moving pictures or cafes, but we cannot do without the nourishment derived from books. The Government should immediately adopt a definite policy to help relieve the students of the interior from their spiritual thirst.

L.J.S.

Wukung, Shensi,
February 18, 1948.

Friends Wanted

To The Editor:

I work in a bookstore as a clerk by day and study accounting in an evening college at night. I am very fond of English. But because of lack of practice, my spoken English is far from satisfactory. I hope you will do me the favor of introducing me to some American and English friends who would like to exchange knowledge. I am free on Sunday; my future friends may write directly to my office. My address:

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210 Honan Road, Shanghai.

CHU SHIH-WEI.

Shanghai,
February 28, 1948.

World Peace Solution

To The Editor:

Herewith is a letter to Ambassador Leighton Stuart for your publication.

J. K. CHOY.

Dear Mr. Ambassador,

We agree with your view, as expressed in the *United Press* report, that the Chinese problem is to protect the common people from the exploitation of the extremists of the right and left, and that the masses will follow educated leaders with moral character. Now the problem is the realization of your advice.

Both extremists have huge armies with which to prevent the ethical and educated leaders from functioning. This is the immediate obstacle to a pacific solution of the Chinese problems. It would not be right for America or any other power to help one of these extremist groups. The obvious solution is for America to use her good offices to ask the United Nations to mediate for the cessation of the senseless Civil War. If either faction refuses to listen to reason let the world boycott them and, under the leadership of America and other sympathetic powers, help the ethical and educated Chinese leaders to establish another government, which could be located abroad, following the example of other governments so established in America during the last world war.

It would be a grave mistake for Washington to help Nanking with military supplies, for another power could help the Communists in a similar manner. In such a case, China would become the testing ground for the coming atomic war. The means for world peace have not been exhausted yet. The best and only available organization to help us to explore the means for world peace is still the United Nations. Let us have faith in that organization and do everything to strengthen it for the attainment of its peaceful objectives, rather than bypass it by direct interference in the internal affairs of other nations. The Chinese case is, thus, an urgent one for the United Nations to look into immediately, before the fire of the Chinese Civil War spreads to the whole world.

J. K. CHOY, ADVISER, THE CHINESE DEMOCRATIC CONSTITUTIONALIST PARTY.

San Francisco, USA,
February 19, 1948.

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Vermilion Hue

To The Editor:

Although we are not subscribers of your respected *Review*, we enjoy reading it through Mr. Chia, our schoolmate, who subscribes to your paper. He is a good and diligent student in our school, having the highest marks, and is praised and admired by all teachers and fellow students. He instructs us enthusiastically to pursue outside reading and tells us what are the good articles in the *Review*. We have learned a lot from him.

A proverb says: "One who mixes with vermilion will turn red," we think Mr. Chia is just vermilion. We hope all the readers of the *Review* will follow Mr. Chia's example and assist their friends so as to encourage them all to do well.

G. P.
W. R. T.
G. C. E.
S. K. L.

Sian, Shensi,
February 19, 1948.

Cannon Fodder?

To The Editor:

With the nationwide conscription program in full swing, please allow me to report the tragic conditions and happenings which I have witnessed here on Tsungming Island.

Many of the able-bodied men of our island who have the means to live for a while in Shanghai have fled by shiploads, while those who are destitute must leave their chances of survival to heaven. The hsiang and pao chiefs, being the ones who carry out Government conscription measures, are making a lot of money in this way. People liken them to kidnapers, for when a man has been taken for conscription he may be released by paying a "ransom" of from 20 to 40 piculs of rice or corn!

Those who are unable to pay are being chased and caught in every possible way. Wailing and crying pervade the countryside when a parent's son is conscripted, for no one expects his return unless he can manage to desert. It is reported that the recruits receive only 12 Chinese ounces of inferior rice a day, less than half the stipulated minimum amount necessary to good health! Some die of under nourishment after arriving at the training center.

The island is virtually a horror. Rarely does one see a young man walking or working in the fields, for the conscription-hunt extends to everybody. In some cases, in order to avoid being conscripted a man will chop off his fingers or toes.

In some villages, the natives are so indignant at the misdoings of their pao chia chiefs that they wreck the latter's houses.

These and similar events are going on all over the country. As more and more people are deprived of their rights, such tragic stories multiply. Dear editor, do you think the people can stand this state of affairs much longer? Can there be talk of the "people's livelihood" when most of the people are being forced to leave their land? Can soldiers, enlisted in such a fashion, fight well, or are they merely being used as cannon fodder?

HSIAO PAI HSING

Tsungming, Kiangsu,
February 25, 1948.

Teachers Suffer

To The Editor:

My friend, Mr. Kuo, is a teacher at the Provincial Kaifeng Middle School. He teaches 32 hours per week, but still he can hardly support his family which consists of 20 persons, old and young. Therefore, hard as he toils, he cannot prevent his family from going hungry now and then.

Chinese people are on the verge of starvation, but the teachers' sufferings are the greatest of all. Oppressed by the hardships of living, the teachers are in no mood to do any further studying.

HSU SHIH-CHEN.

Kaifeng, Honan,
February 5, 1948.

Illegal Punishment

To The Editor:

I live in a small hsien of Fukien where the intellectual level is very low. Officials and semi-officials are always imposing upon the people. Only tonight, I heard of a cruel punishment which was inflicted upon two villagers, a man and a woman, who were falsely charged with theft, and arrested by the so-called Hsien Detective Corps.

The Corps members poured about four or five bowls of hot water into the nostrils of each victim until there was only the faintest heartbeat in either of them. When they had recovered consciousness, they were then given more corporal punishment: their bodies were beaten until the skin was broken. But still they did not confess to the theft.

Then the two villagers' thumbs were fastened with wires behind their backs and they were hung by their thumbs about eight feet from the ground. Because of the pain, the couple lost control of their minds and made a false confession, saying they would return the stolen goods which were in a hut at the side of the river. On the way to the hut the couple jumped out of the boat into the icy water with the intention of committing suicide, but they were pulled out. However, the stolen goods were not found.

After several weeks of languishing in prison, the real culprits were found and the man and woman were released. But today they are dying of tuberculosis because of the damage to their lungs by the hot water.

I am very distressed over this case. The lives of these people are regarded as worthless and the hsien magistrate has made no inquiry into the illegal and cruel punishments which were applied to them. I hope you will publish this letter in your magazine as an appeal to the public for justice, Now that China has a Constitution, punishment for unproved crimes is illegal.

D.K.M.H.

Foochow, Fukien,
February 21, 1948.

Who's Who in China

TCHOU CHE-TSIEN, (Chu Shih-chuan), Chinese Consul-General at Guatemala; born at Paoshan, Kiangsu, 1888; graduate of l'Universite l'Aurore, Shanghai; Licencie (M. A.), la Faculte

Tchou Che-Tsien

（朱世全）

de Droit, Paris; returned China, 1913; editor, "La Politique de Peking," 1914; professor of Political Science, National Peking University and concurrently lecturer on International Law, the Peking University of Law and Political Science; appointed secretary to the Chinese High Commission at Vladivostok, 1919; secretary to the Chinese Delegation at the Washington Conference, 1920; delegate to the Chinese Delegation, International Aeronautic Convention, Paris, 1922; technical adviser, International Opium Conference, Geneva, 1923; secretary to the Chinese Legation, Paris, 1921-24; delegate to the Commission at the Customs Conference, Peking, 1925; secretary, Ministry of Foreign Affairs, Peking, 1925; special delegate, Commission on Retrocession of Weihaiwei, 1930; chief of section, assistant director, and acting director, Department of European and American Affairs, Ministry of Foreign Affairs, Nanking, 1927-34; first secretary of Chinese Legation in Cuba and concurrently Consul-General at Havana, Cuba, 1934; charge d'affairs, Chinese Legation in Cuba, 1936; Consul-General at Guatemala since 1939, in charge of Chinese interests in the Republics of El Salvador and Honduras and the colony of British Honduras; author of "The Method of Abolition of Unequal Treaties Between China and Foreign States," "Lectures on Private International Law, and the Question of Weihaiwei;" was awarded third class Chiaho Decoration; Officier de la Legion d'Honneur and Palmes d'Officier de l'Instruction Publique de France at Commandeur de la Couronne de Belgique; address: Consulate General of the Republic of China, Guatemala City, Guatemala, C. A.

Biased Stand

To The Editor:

I highly appreciate your editorial policy by which so many readers of the *Review* have been enabled to learn pretty well the true situation of China. Under present conditions it is really difficult for those in the KMT-controlled areas to come in contact with such a liberal journal as yours, which supplies its readers with genuine information and offers bold yet salutary criticisms of the present regime in China. Undoubtedly, there must be numerous Chinese readers who bless their stars that their English is good enough to read the *Review* with understanding and who look upon the *Review* as a cordial and instructive friend.

As one of these readers I simply cannot help saying a few words. On the whole the *Review* is liberal in its viewpoints. Yet the column "What Chinese Papers say" cannot but give us an impression that with respect to its liberal stand the *Review* leaves something to be desired. As things are, what the said column quotes is practically entirely from KMT sponsored or controlled papers and therefore usually serves as propaganda for the KMT Government. With such apparently biased quotations the column tends to render the *Review* non-liberal to a certain extent.

Being democratic-minded, I wish to say that the *Review* can hardly be called "liberal" in the true sense of the word unless it, for one thing, resolutely revises the biased stand of the column in question. Such a democratic and outspoken paper as *Hwa Shang Pao*, though published in the British Colony of Hongkong owing to political persecution, or even such a communist organ as *New China Daily News* should be quoted as much as the KMT papers. Otherwise, it would be far from a square deal.

H. C. LIANG.

Sinhui, Kwangtung,
February 23, 1948.

Trusted Leader

To The Editor:

Herewith is a news item translated from the February 27 issue of *Ta Kung Pao*, which may be of interest to you as well as your readers.

"Although the Government advocates 'Protection for the tenant peasants and restrictions on rents,' a peasant leader, Tong Mei-kuei, was ruthlessly assassinated recently in Chengyen village of Yiyang hsien (in Hunan province). Tong was greatly trusted by the local peasants for he had urged them to realize the order for a '25 percent reduction in rent' issued by the Government in 1935. When the local peasant association was set up, he was elected as its chairman. Since then, he has worked hard for the welfare of the peasants, and has been a thorn in the side of the local landlords and gentry.

"On February 2, at daybreak, six armed men intruded suddenly into Tong's house. They pulled him from his bed, tied him with cords, dragged him to a pit about 10 paces from the house, and then shot him.

"When this news spread, the vice-chairman and all the other heads of the peasants association fled; thousands of other members of the association also escaped to the woods with their wives and children. They dared not return to their village even on Lunar New Year's Day.

"At such a miserable sight, those remaining in the village, hurriedly returned to the landlords, all the grains saved from the '25 percent reduction in rent' so as to save their lives."

S.W.

Shanghai,
February 28, 1948.

A Dangerous Thing

To The Editor:

Recently, I read an article entitled "What Is Wrong With Our Schools? in *the Redbook* Magazine. It mentioned that a very large percentage of Americans know nothing at all of what goes on outside their own sphere of life.

It is no wonder then that the United States foreign policy can be carried out, with only a few objectors, like Henry Wallace, raising their voices against it.

It is a dangerous thing that so many people don't understand their country's foreign policy and allow a few men to steer their country's course in their own selfish interests. If US foreign policy continues as it is today, it will sooner or later bring catastrophe to the American people.

A liberal-minded attitude and farsightedness towards world affairs and the welfare of the oppressed masses is needed both inside and outside America. You, Mr. Editor, are already striving towards that goal.

DAVID SUN

February 21, 1948.
Hongkong.

Via CGRA

It is a thing of no great difficulty to raise objections against another man's oration — nay, it is a very easy matter; but to produce a better in its place is a work extremely troublesome.

—PLUTARCH.

●

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Vol. 109 Shanghai, Saturday, March 6, 1948 No. 1

Fighting In Manchuria

THE military situation in Manchuria took a dramatic turn for the worse during the last two weeks of February. By the end of the month, the Chinese Communists had captured Anshan, Kaiyuan, Yingkow, Liaoyang and Faku, cutting off all defense bastions on the northern, southern, eastern and western approaches to Mukden. Reports on the fate of Hsinmin, the western gateway to Mukden, were conflicting. At one time it was reported that Nationalist garrisons there had made a "strategic withdrawal" in order to apply what is called "mouse-catching tactics" against the Communists. Government sources, however, insist that the city is still in Nationalist hands, although the railway station, the scene of fierce close quarter fighting in the last few days, has been razed and the city defences in the north, south and east have been breached by intense Communist artillery fire.

Bloody fighting is now in progress at Fushun, Tiehling and Szepingkai. The fall of Yingkow, according to competent military observers, "dashed Government hopes of using the port as a springboard for counter-offensives in the spring" and "made even more optimistic supporters of the Nationalists wonder whether a quick and complete collapse of Manchuria was about to occur."

Government forces in Manchuria have been isolated and pinned down at widely scattered points all the way from Kirin, Changchun, Szepingkai, Tiehling, Mukden and Chinchow. Mukden is reported to be in a "complete and absolute state of siege." The Communist's strategy, it is said, is aimed at "tightening their grip around the city's throat to squeeze out food and other essential supplies until Government troops are no longer able to hold out." Responsible Government officials in Peiping revealed that Mukden has enough food to last until the end of May. Therefore, unless a supply line is opened by then or even earlier, it is possible that the defenders of Mukden might try to fight their way out.

According to an *AP* story dated February 25 from Peiping, the Nationalists at Mukden are in an obvious dilemma: "If they strike out against the Reds, who are seizing or isolating the outer bulwarks of the city, they will be expending ammunition needed to withstand any direct Red assault without hope of replenishment unless a supply line is opened. Even if the Nationalists recover sections of the Peiping-Mukden or the Mukden-Dairen railroads now in Communist hands, the repairs would take weeks or even months during which highways would have to be used instead," the report said.

The Communist capture of Kaiyuan has rendered still more difficult any attempt on the part of the Nationalists to fight their way out of Changchun and Szepingkai to the relief of Mukden. Reports from authoritative sources in Nanking stated that the Chinese high command had approved the withdrawal of isolated Government garrisons at Changchun, Kirin and Szepingkai. Now that Kaiyuan has fallen these garrisons will have to do much hard fighting before they can break through.

* * *

THERE has been much talk about the Government's plan to rush heavy reinforcements to Manchuria. But unless an overland corridor to Mukden is blasted open, it is difficult to see how heavy reinforcements will be able to reach the besieged cities. Chinese military quarters in Peiping estimated that the Nationalists need a minimum of 10 divisions as reinforcements to re-open the vital supply lines in Manchuria. Several divisions have already landed at Chinwangtao and Hulutao while strong units of General Fu Tso-yi's crack Suiyuanese troops are being dispatched by land to Manchuria.

As the situation stands today, it will be no easy job to transfer 10 full divisions to Manchuria without jeopardizing the Nationalist position in other parts of the country. Latest reports indicated that the Communists are massing troops around Paoting and Tientsin, apparently for new offensives in Hopei to prevent the Nationalists from sending heavy reinforcements to Manchuria.

From the very beginning, the fighting in Manchuria has been a big headache. From the strategic viewpoint, Manchuria is more of a liability than an asset to the Nationalists. Some of the finest of the American-trained and equipped Government army units have been wasted in the hopeless fighting in that area and now, as the result of a disastrous turn in the situation, the Government has been forced to pour more of its crack divisions down the Manchurian rathole.

From the military point of view, the Nationalists ought to have evacuated Manchuria long ago in order to save their strength. But for political reasons, the Nationalists cannot do so without suffering serious consequences on the home front. And it is this conflict between military

"GUESS WHO'LL HARVEST THAT CORN"

Fitzpatrick in The St. Louis Post-Dispatch

and political considerations that has done irreparable damage to the Nationalist position in Manchuria.

* * *

IN the recent fighting in Manchuria, two new features are particularly significant. One is the formidable striking power of the Communists and the other is the sagging morale of the Nationalists.

So far, the Chinese Reds have become famous as intelligent and seasoned fighters specializing in guerrilla warfare. Because of their inferior equipment and training, the Reds have adopted hit-and-fly tactics, deliberately avoiding stiff standup battles. But the recent successes scored by the Reds in Manchuria have revealed the startling fact that they made good use of artillery in their attacks on such heavily-fortified and strongly-defended cities as Kaiyuan and Yingkow. It is clear that the Reds are now fighting positional warfare in Manchuria, mobile warfare in North China and guerrilla warfare in Central and South China. This successful change from guerrilla warfare to positional warfare is highly significant from the military point of view.

The morale of the Nationalists, it would appear, is not what it should be. The *Ta Kung Pao* quoted a responsible high Government official in Peiping as saying that the most pressing problem facing Government troops in Manchuria is one of morale-boosting. According to the said official, the recent reverses in Manchuria have seriously affected the morale of government forces there. It is therefore absolutely necessary to bolster the sagging morale even by winning some small victories, he said.

It is extremely difficult to size up the situation with any measure of accuracy. However, even scanty press reports seem to indicate that there is something decidedly wrong with the morale of the Nationalists. A *UP* story dated February 27 from Nanking disclosed that the Hunho airfield on Mukden's outskirts was captured by the Reds after a Nationalist garrison had pulled out without offering resistance. As a result, Divisional Commander General Win Li was executed. Two days later, on February 29, an *AP* story from Peiping revealed:

"Without offering any explanation, all Peiping newspapers stated that the Reds accomplished the conquest of the Manchurian seaport of Yingkow without resistance. This admission is significant, as it might mean that the Nationalist garrison surrendered without a fight. A more charitable theory, that the garrison might have been evacuated by sea or land, is considered untenable, as the Nationalists had every reason to try to hold Yingkow at all costs. This is the first time the Nationalists have admitted the loss of any port in Manchuria without resistance, as they usually proclaim tenacious resistance."

It admits of no room for doubt that Nanking is fully resolved to hold on to the important centers in Manchuria as long as possible, because abandonment of Manchuria would have a catastrophic bearing on the Nationalist position as a whole in other parts of the country. But under present conditions, the best the Nationalists can expect of the fighting in Manchuria is to fight a rear-guard holding action to cover North China.

Political Football

SECRETARY Marshall's China aid proposal appears to be the "campaign issue" for which administration opponents long have been searching. Until the China Problem came to the fore, the Administration's bi-partisan foreign policy had pretty well ruled out foreign affairs as a major political issue for this year. However, the fact that Secretary Marshall has chosen to keep the State Department's China activities more or less as his own private show has given the opposition its long awaited chance.

Even before the end of the war, Roosevelt, and later Truman, recalling Woodrow Wilson's fatal error in trying to cram the League of Nations down the throat of a Republican-dominated Congress, began letting the Republicans "in" on policy matters. As events have shown, the Republicans gained control of Congress following the war and the bi-partisan foreign policy of Roosevelt and Truman was justified in that it made American participation in the UN assured. Further, it has enabled America to present a more or less united front in dealing with international affairs, despite the constant internal conflict which can always be expected when the

balance of political power begins to shift from one party to the other.

However, for one reason or another, Secretary Marshall has not applied the bi-partisan approach to the China Problem, handling it pretty much as a personal matter. There are undoubtedly many reasons for this, one of which must stem from the Secretary's uniquely intimate knowledge of the situation here. Whatever the reason, though, he has given the Republican opposition a good opportunity to interject foreign affairs into the homeside political picture. Characters whose political horizons have never reached past the Mississippi River have now become vitally concerned with developments in China. This country has unexpectedly found many "friends" both in and out of Congress who, although never having mentioned the word "China" publicly for years, suddenly appear keenly interested in what is going on here.

The problem of "what to do about China" has truly become a political football of surprising magnitude. Most well known US politician to seize upon the China issue, is Senator Robert A. Taft, of Ohio, who is an avowed candidate for the Republican presidential nomination. Taft, who in the past has generally been lukewarm about US participation in any activity outside the borders of the continental United States, almost overnight has been "converted" to the international outlook. He is now one of China's leading champions in America. He is worried about the individual Chinese, but he is even more concerned about the Nationalist Government which is having a tough time with communists. So far Senator Taft has not said just what he thinks Marshall should do about China in the future, except to say that everything Marshall did in the past was wrong. Needless to say, the Senator demonstrates a remarkably human trait in that his hindsight appears a great deal better than his foresight.

It is indeed a pity that the latest of the Central Government's seemingly endless series of crises happens to coincide with an election year in the United States. It is also to be regretted that Secretary Marshall, by handling America's China policy as a personal matter for so long, has provided the Republicans, as well as some of his own party members, with the opportunity to drag the China issue on to the political football field. US policy toward China may now take on a nature of expediency which well may prove quite harmful, both for China and America.

A Great Opportunity

THE proposed United States aid program for China is beginning to puzzle local businessmen, Chinese as well as foreign. They have read many long reports on what is planned, but so far have heard little or nothing about how the commercial side of the scheme will be implemented. As China will certainly not obtain the whole amount in cash, the question remains as to who will be permitted to buy, ship and sell the many commodities this country will receive on the basis of US loans and credits.

While people connected with the Central Trust and other Government run corporations insist that no State monopolies exist in China, every businessman in town will be glad to oblige with dozens of examples which prove otherwise. It is natural, therefore, for these businessmen to ask whether future US credit shipments will be handled completely by the Government's giant companies, or whether private commercial firms will be permitted at least to cooperate.

Although the US Government is obviously in a position to see to it that America's role in her huge aid program is not merely that of a financing banker, a recent Washington dispatch announced that it will be China's job to control the program. Exactly what that means has, unfortunately, not yet been made clear, but we can hazard a guess. If China "controls" the program, it would probably mean that the State corporations will handle virtually all of it—just as at present they are the only ones permitted and able to import certain capital goods and chemicals from the United States. That this situation applied to the aid program would be in the best interests of both countries is, however, doubtful.

Government corporations are, at present, virtually the only ones exporting products, the purchase prices of which are so great as to be prohibitive to private firms. It is clear that in many lines these corporations' tremendous sales' results have been due to the existence of official exchange rates which actually prohibit private shipments while facilitating governmental ones. Will a similar

Mine Field

—Summers, in The Buffalo Evening News

scheme be used when it comes to aid-imports from America? Will the Universal Trading Corporation in New York, twin outfit to the Central Trust, "purchase directly," just as it is now the only firm to import American fertilizers?

In Washington, the Department of Commerce is said to have assured worried exporters that American trade will be protected. But apparently American businessmen still have their doubts—and so do their brothers in China.

Based as it is on political considerations, the US aid program is, nonetheless, an economic affair of the greatest importance. It *can* aid China's business, but not if the Government's semi-official corporations again get the lion's share, thus obliging private commercial firms to import in accordance with declining quotas.

And it is not a question of desirability or ability, for there can be no denying the fact that Government trusts are handling transactions which any private firm could handle as well or better if it were released from certain throttling Government restrictions. Since it is based on foreign trade, the commercial part of the China aid program should be dealt with by experienced merchants in the competition of free trading.

Never before has the United States had so good an opportunity to aid business in China. What is needed to make the most of this opportunity is to ensure free competition among the enterprises dealing with the purchase and sale of reconstruction materials, relief goods and all commodities not directly connected with military purposes. It is up to the creditor to see that his money is handled wisely. And, since the present program is fundamentally political and not an ordinary financial transaction, it is America's duty to see to it that State corporations are not the only ones to gain from what is supposed to benefit the whole nation.

Promises that commercial firms will have the same rights as Government-owned concerns will not suffice. Theoretically they have the same rights now, but due to controls, restrictions, and Government manipulation of foreign exchange most private firms are in no position to make use of their "rights."

What is needed is a flat statement by the US Government to the effect that imports connected with the $570,000,000 aid program will not be handled by any State corporation whatsoever—either in America or in China. No other device could guarantee that the United States loan will do the job for which it is intended—aiding China.

"HERE COMES THE FBI REPORT NOW"

Herblock in The Washington Post

Serious Charge

DR. Sun Fo, only son of the founder of the Chinese Republic and concurrently Vice-President of China and President of the Legislative Yuan, has hurled some spectacular and serious charges at an American Embassy employee and at American newsmen in China. Dr. Sun alleged that the press attache at the US Consulate-General in Taipeh, capital of Taiwan, has deliberately misrepresented the facts to visiting American correspondents.

The man who holds either the vice-presidency of the country or the position as head of one of the five yuans is an important person who should be considered a responsible citizen and official. We have little doubt but what Dr. Sun spoke in good faith and is personally convinced of the correctness of his remarks. We also have little doubt but what Dr. Sun will be willing to make public his proof. We ask him to do so.

Until shown such proof, we reserve the right to hold our own opinions, based on personal observation, about China's administration of Taiwan, the reports of American newsmen and the conduct of the aforementioned US official. We happened to visit Taiwan in the company of two other American newsmen just one year ago and were able to see quite a bit for ourselves. We were also able to interview a lot of people, including the same press attache referred to by Dr. Sun.

We found, with the exception of the US press attache, the US Consul and a vice-consul, who were the only American officials on the island at that time, that virtually all foreigners were pretty much agreed that Chinese administration had been bad. Even some Chinese officials held this view. Also, to the best of our knowledge, the vast majority of Taiwanese were fed up with Chinese administration. At that time we set down the result of our findings in a signed article appearing in this magazine. We believed every word we wrote to be true then and since have had no reason to change our view.

One thing we noted while visiting this despoiled island was that none of the three American

officials there at the time would make a statement regarding the massacres. They wouldn't even talk about political or economic conditions except in the most general terms. The entire Consulate staff leaned over so far backwards in their adherence to diplomatic regulations that they were of practically no help to us during our stay. They repeatedly declined to comment upon various reports we received from other sources, absolutely refusing to confirm, deny or even admit that they themselves had heard the same or similar stories. If we had depended upon the Consulate for information—as Dr. Sun implies American correspondents are doing—we would not have suspected that General Chen Yi had killed even one man, let alone the 5,000 or more that his troops actually massacred.

It would be a great surprise to us to learn that US officials in Taiwan have so changed that they now pour out misinformation to visiting journalists and are actively engaged in instigating revolution. Until Dr. Sun produces documentary proof, we just can't believe it.

It is also news to us that American newsmen rely upon their consulates for their information. That is not American journalistic procedure.

Dr. Sun's citing of examples to prove his contention that China had made great strides in rehabilitating Taiwan created a false impression which we are sure was not his intention. By giving a few specific examples of reconstruction, and by failing to delve into such matters as the scores of neglected reconstruction projects he has implied that all is well in the island. One has only to look at three sets of figures to see how far economic rehabilitation has gone: Pre-war production, war-time damage figures in terms of production potential and post-war production. The disparity between the present production and the pre-war production minus the war damage production figures, will give a quick picture of economic stagnation.

There are of course many problems which China could not be expected to overcome easily, but Dr. Sun's method of publicizing what has been done has inadvertently, we are sure, implied that all American press reports on Taiwan's economy have been falsified.

We are certain that Dr. Sun was only lashing out at what he considered unfair criticism. However, his statement as it now stands is itself an example of unfair reporting. Dr. Sun should amplify his remarks, giving more facts and figures and, more important, documentary proof of his serious charges against several American newsmen and against one US Embassy employee.

Finally, we can't help wondering if there is any significance in the timing of Dr. Sun's charge. It follows very closely a change in American Consulate personnel in Taipeh involving both the consul and the press attache, both of whom had been there about two years. Six months from now it may be hard to recall which came first—the departure of these American officials, or Dr. Sun's statement. What was a routine personnel action could be construed in many quarters as a victory for Dr. Sun in getting rid of "unfriendly" American foreign service officers.

This may have been the farthest thing from Dr. Sun's mind when he made the statement. But otherwise it is hard to figure out why, if he was critical of these Consulate officials, he did not voice his criticism before they left. Does he hope his words now may influence the actions of the incoming Taipeh Consular representatives?

25 Years Ago In The *Weekly Review Of The Far East*

The English Pattern

March 3, 1923.

ACCORDING to several comments made in Japan.....both Japan and China seem to be of the same opinion when it comes to modeling their respective governments—after that of England. The *Fiji* carried the following news relating to this statement: "The present degraded state of the House is chiefly due to the fact that its members are mostly of low character, but the vehemence of party strife is also an important contributary cause.....It is scarcely necessary to say that England is the country where political parties are most fully developed. Although party competition is vigorous, the methods used are fair and above board...."

* * *

Period Of Transition

THE trade of China is in a period of transition. The old style Chinese merchant "whose word was as good as his bond," is passing and new traders are coming in. Many of these are either inexperienced or are pure gamblers and speculators. A failure with them means no more than a "trip to Ningpo" or a change of the signboard in front of the shop. The transition which is taking place in the trade of China is apparent on every side.

10 Years Ago In *The China Weekly Review*

More Fundamental

March 5, 1938.

SECRETARY HULL'S note to the Japanese (February 25) actually was a condensation of a much more imposing document outlining American rights in China which he submitted to the US Senate of January 8. In this communication the Secretary of State said that the interest and concern of the United States in the Far Eastern situation....was not measured by the number of American citizens, nor by the amount of their investment, nor by the volume of trade.... "There is broader and much more fundamental interest—which is that orderly processes in international relations be maintained....This interest far transcends in importance the value of American trade with China or American investments in China."

* * *

Furor In Parliament

THE National Mobilization Bill, which gives the Japanese Government practically unlimited control of the nation's manpower, and material resources in time of war, and which was introduced into the House of Representatives of the Japanese Diet on February 19, caused an immediate furor in Parliamentary circles. Heated debates arose in the House on February 24, when members attacked the constutionality of the Bill. Takao Saito, veteran member....stated that while he appreciated the motives of the Government in submitting the bill and although he expressed his readiness to cooperate with the Government in securing an adequate national defense, he deprecated any arbitrary measure patterned after foreign dictatorship.

PARTY INTERESTS VERSUS THE CONSTITUTION

C. Y. Chen

THE Republic of China has never, since the day of its birth, enjoyed true democracy. Released suddenly from the age-old tyranny of the Manchu Monarchs, we Chinese were poorly prepared for democratic life. The years following this release have been years of disorder. In the beginning there were the warlords, who fought one another incessantly even though many of them professed a love for the people. Killing people in wars may be one way to express love, but it is certainly not a convincing way.

Democracy Promised

When hope of peace and unity was offered by the KMT Expedition of 1927, the people rallied enthusiastically behind it and, within a relatively short period, the warlords were either "reformed" or wiped out. One reason for the KMT's early success was that the teachings of its leader, Dr. Sun Yat-sen, which promised a democratic, constitutional government, had sunk deep into the hearts of the people.

According to Dr. Sun, we had to fight and work for our salvation as a nation under the tutelage of the KMT, and this we were willing to do. Thus, the leadership and rule of the KMT was established indisputably and supported wholeheartedly. Through the years that followed, the KMT remained in power and led successfully the task of unifying and rebuilding the country, even during the difficult times of the Japanese invasion. We people worked hard and endured much in the hope of someday cashing in on the check of democracy.

Twenty years following the establishment of the KMT as a ruling force, found our arduous war against Japanese Imperialism won, and the hopes of the people high. But these hopes were soon to crash. Troubles which had been dormant during the long war began to emerge again vigorously; troubles which centered in the problem of establishing our long-awaited democracy. The Communists, for instance, shunned the possibility of cooperation with the KMT, and, with possibly something other than democracy in mind, resorted to their favored formula of open rebellion for the solution of the problem.

Proof Of Wisdom

While the Communists were setting their fires and killing landlords in their program of "New Democracy," the Democratic Socialist Party and the China Youth Party were invited to form a so-called Coalition Government with the KMT. The National Assembly was called, a constitution was promulgated, and elections were to be held in all cities and provinces. These measures were considered proof of the wisdom of the KMT, and we put a lot of faith in them. We believed that, if worked out properly, they would bring us eventual peace and prosperity. We believed that peaceful means should be used to promote peaceful ends. After so many years of bloodshed and disaster, who in China, except possibly the Communists, would ask for more?

At this juncture, we did not suspect that the Government could do otherwise than observe the laws of the Constitution as promulgated on December 25, 1946, even though it was not to come into effect until December 25, 1947. However, the Government acted in direct violation of both its constitutional laws and the Recall Act of the National Assembly, while conducting the election campaign. Article 12 of the Election and Recall Act states: "Those who are qualified and willing to be candidates, through the signatures of 500 voters or through the nomination of a party, may register themselves as candidates and compete in open election." It was plain that there were two ways open to nomination, and that both were equally legal.

Two New Clauses

Seven hundred of the candidates had registered themselves by the "500 signatures" method, and these 700 were elected to the Assembly by a clear majority of votes. However, a few days after the election was completed, the National Council resolved to add two additional clauses to the Act governing the nomination of candidates. These were: 1) Members of the Chinese National Party (KMT), the China Youth Party, and the Democratic Socialist Party must be nominated by their respective parties. 2) Candidates signed by voters are to be limited to non-party members only. Thus, all those "signed" candidates who were party members favored by the people, but not selected for candidacy by their parties, were automatically excluded from office. In other words, only those candidates with no party affiliations could avail themselves of popular nomination and run as independent candidates. The party nominees, of course, would profit from this exclusion of their popular fellow members, for they would now be "elected" without benefit of a single vote cast by the people. In this way, the election can be swung according to the dictates of the cliques and groups within the three parties, who can put their own candidates up for office without any popular backing. Is this election according to constitutional law?

Furthermore, it comes to light now that the three parties had already divided the seats in the National Assembly among themselves before the election took place. Unfortunately for them, their candidates had to stand the test of election by the people; and, more unfortunate still, most of these party candidates failed to get the people's support. Something had to be done! So the National Council amended the Election Act in the manner described above in order to exclude enough popularly-elected candidates to make room for their own party candidates, who had been rejected by the people.

Why bother to call this an election, for it has been done without regard to the sufferage of the people. Since the controlling cliques within the parties had already arranged everything, the people have been used as mere puppets to endorse the whole farce.

Dr. J. Leighton Stuart, an honorable citizen of Hangchow, delivered a message to the Chinese people on December 29 from Peiping, saying, "I pointed out that the Constitution is now put into effect, but many people doubted whether it could be anything more than a paper constitution. That seems to me to depend upon the people of the country."

On Paper Only?

Can it be anything more than a paper constitution? The KMT and its two affiliated parties have given Dr. Stuart his answer. They are denying the legally-signed and legally-elected their rights to be national representatives of the people. They have manipulated a national election in a most unscrupulous manner, without regard to the Constitution. From this we can see that political rights have not in any way been bestowed upon the people, but only upon the chosen few—a few chosen, not by the people, not even by their parties, but only by the dictatorial cliques within those parties. Group and clique interests are running high these days, so high, in fact, that they are overrunning everything. The Constitution is a test as to whether or not we can successfully combat these interests and achieve democracy. In this test, we have not shown up well as yet.

As Dr. Stuart wisely said, "That seems to me to depend upon the people of the country." Yes, it is our duty to fight for the integrity of the Constitution, for it may be our last chance of salvation from possibly endless disorder.

Land Reform In Communist Areas

Van Bryce

ON September 13, 1947, the National Land Conference of the Chinese Communists issued a document, "Directives on Agrarian Reform," which has attracted widespread interest. As this agrarian reform has been carried out in a large part of China, affecting millions of Chinese peasants, it should be of interest to students of Chinese political and economic problems.

Land ownership in China is highly concentrated. According to reports of the Ministry of Agriculture and Commerce, and the Bureau of Research of Chinese Rural Economy, about 10 percent of China's rural population have in their hands 70 percent of the land, while peasants, owning 10 mou or under, constitute more than 40 percent of the population. The table below will show this clearly.

This is evidently the outcome of thousands of years of feudalistic rule. But, during the 36 years of the Chinese Republic, in spite of Dr. Sun Yat-sen's strong advocacy of equal distribution of land, the situation has not in the least been remedied; on the contrary, further concentration of land is in progress.

Another report prepared by the Central Bureau of Agricultural Research states that, in the 28 years from 1911 to 1929, the percentage of tenants increased from 28 percent to 38 percent, and that of semi-tenants from 23 percent to 27 percent. On the other hand, landlords in Szechuen province increased their land ownership by 70 percent from 1927 to 1941.

To obtain the right of farming a small piece of land, the tenants pay extremely high rents to the landlords. According to statistics compiled by the Legislative Yuan in 1920 and 1934, rents in 23 provinces averaged 11.2 percent of the value of the land. In provinces such as Shensi, Szechuen, Fukien, Yunnan and Kirin, they ran as high as 20 percent. As most rents (some as high as 80 percent) were paid in kind, 46.2 percent of the year's crop went to the landlords.

Besides yielding almost half their crops to the landlords, the tenants and the poor peasants have to include a good portion of what remains as taxes to the Government. Professor Lossing Buck of Nanking University made a study in 1933 and found out altogether there were 188 different kinds of land taxes. Before the war, land tax per acre averaged CNC$6.34 or US$1.79, approximately four times that (US$0.46 per acre) in the United States.

* * *

THE Communists' "Directives on Agrarian Reform" can be summed up in five main points:

(1) The agrarian systems of feudal and semi-feudal exploitation shall be abolished; the system of land to the tiller shall be realized. Land ownership of all landlords and all ancestral shrines, temples, monasteries, schools, institutions and organizations shall be abolished. The village farmers' unions shall take over the livestock, farming implements, buildings, grain and other properties of the landlords, and shall also requisition the excessive part of the properties of the rich farmers."

(2) All land and property shall be equally distributed to the village populace, irrespective of age and sex.

(3) All families of Nationalist army officers and soldiers, government officials, and party members shall receive as equal a portion of land and property as the peasants. Landlords and families shall be given a share of land and property equivalent to that of the peasants.

(4) The property of the industrialists and merchants, and the legal operation of their enterprises shall be protected from encroachment.

(5) The general assembly of village peasants union will be the chief executive body of land reform.

During the War of Resistance, "reduction of rents and interests" formed the basis of Communist agrarian policy. The amount of rent must not exceed 37.5 percent of the total value of harvest. This only partially relieved the burden of the peasants. The Communists adopted such a mild policy for the sole reason that, at that time, all land problems centered around the fact that "either the land belongs to the Chinese or to the Japanese." In order to wage a total defensive war against the Japanese, landlords as well as the peasants must be looked after.

After VJ Day, the holdings of important collaborators were confiscated. In the meantime, reduction of rents and interest were carried a step further. But the basic evil of the old agrarian system was still untouched. Now, the Communists feel, is the best time to tackle the root of China's agrarian problem, for "either land belongs to landlords or to peasants." All land ownership shall be abolished. Both land and property shall be equally distributed without discrimination. With one stroke, the whole feudal system has been wiped out.

As to the character of this reform, the Communists maintain that it is capitalistic. Once the land is equally distributed, deeds of land ownership will be issued to the landowners by their government, and the farmers can, under certain conditions, buy and sell their land. It is quite plain, they allege, that ownership is still being respected. This new system, according to them, is neither communistic nor socialistic, but "new democracy." On the other hand, urban land will not be subject to this directive. The property and interests of the industrialists and merchants will be protected, and free enterprise encouraged. They believe a fully developed industry and commerce will immensely help the success of "new democracy."

The controlling organs of the Nationalists in rural areas are all operated through such personages as village magistrates and pao-chia chiefs, who are mostly landlords or closely related to the landlords. After land reform, this class of people will vanish, and the Nationalists may forever lose their control. Even if the Nationalists recapture these places, it will be obviously very difficult for them to reestablish control.

Should the "land to the tiller" principle of Dr. Sun Yat-sen be carried out effectively all over China, the whole structure of Chinese economy will be altered. For the first time in Chinese history, all the peasants will cultivate their own land. There will be no more rent or loans at high interest rates.

At the same time, Chinese industries also will turn over a new page. For once the income of the land goes back directly to the peasants, the resultant purchasing power of the rural districts will provide a steady outlet for the finished goods turned out by factories.

As China is an agrarian state, and 80 percent of her population is made up of peasants and tenants, the saying, "Whoever can win over their support will win China" may turn out to be true.

Classes of Farmers	Percent in Population	Percent of Land Owned
Landlords	4 percent	50 percent
Rich Farmers	6 „	18 „
Middle Class Farmers	20 „	15 „
Poor Peasants & Tenants	70 „	17 „

Land Owned	Percent in Population
10 mou or under	42.7 percent
10 to 30 mou	26.4 „
30 to 50 mou	16.0 „
50 to 100 mou	9.7 „
100 mou and above	5.2 „

TOKYO CORRESPONDENTS REVEAL INDIRECT CENSORSHIP

Hugh Deane

(Special Correspondent. The China Weekly Review)

Toyko, February 22 (By Airmail). GENERAL MacArthur has received in silence a Tokyo Correspondents' Club report declaring that in his theater "military security regulations . . . have been used repeatedly in an effort to curtail or influence the handling of news."

The report charged that "under the guise of military security, intimidation and coercion of correspondents and censorship at the source have been attempted as a means of withholding information from the peoples of the United Nations."

The report, released February 18, was approved unanimously at a general meeting of the Tokyo Correspondents' Club. It was submitted to General MacArthur and to the Freedom of the Press Committee of the American Society of Newspaper Editors.

The report substantiated its conclusions by citing the following data and incidents:

Since October, 1946, every conversation between occupation officials and Japanese authorities has been classified secret or higher.

Since July, 1946, discussion of any tentative occupation project has been classified—with the effect of curtailing information about the thinking leading to important decisions.

Once Mr. Frayne Baker, General MacArthur's Public Information Officer, told correspondents: "From now on you will get your news of the occupation from PIO press releases."

On several occasions various GHQ sections have been given orders forbidding them to talk to correspondents.

"In this manner," the report states, "the shroud of security has been thrown over such subjects as Japanese crime, rationing statistics, dollar loan negotiations, the purges, economic decentralization, reparations, industrial rehabilitation plans and negotiations for wool and cotton imports.

"Even information concerning attempts by the Japanese to obstruct the occupation has been classified. Correspondents . . . who have published such information have been threatened frequently with investigation or prosecution for security violations."

A correspondent obtained from a Japanese magazine coal production figures which had been denied him by GHQ on the grounds that they were classified. According to Mr. Frayne Baker, the correspondent conceivably could be court-martialed.

A correspondent who asked the US Army for data concerning supplies and property returned to the Japanese Government was told that the information was "secret." The report comments, "These statistics were in the possession of the Japanese. The question therefore arises: From whom were occupation officials attempting to withhold such non-military information?"

A correspondent who had written an unwelcome story was summoned by the Deputy Chief of Staff, was required to listen to a reading of the US Army's Articles of War and was asked to reveal the source of his information with the implicit warning that withholding such information was a court-martial offense. He was warned not to divulge "anything that has transpired in this room" and was told that he was not entitled to advice of legal counsel.

The home of another correspondent who had written critically was raided by the US Army's Criminal Investigation Division. The correspondent was interrogated and threatened.

"Security, as broadly interpreted in this theater, has been further utilized as a pretext for seeking removal or exclusion from Japan of correspondents who have written stories considered critical by one or another official," the report declares.

"Official letters are known to have been sent to the employers of at least nine correspondents, seeking to embarass the correspondent in his relations with his employer and in a number of instances requesting removal of the correspondent.

"One correspondent has been excluded from Japan on the basis of vague and unsubstantiated security allegations. The only specific charge was that he had shown 'marked antipathy toward American policy.'"

The report recommended that peacetime security and the status of correspondents in occupied areas be defined clearly, that steps be taken "to prevent information by the use of threats, intimidation and coercion" and that correspondents threatened with expulsion "be granted an impartial hearing and the charges substantiated."

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The Chinese Postal Labor Union: Its Past And Future

James C. Rip

ONE of the earliest workers' unions in China was formed in 1906 by a group of postal workers in Canton, according to records available. Not only have postal workers taken the initiative in China's labor organization, but they have also been forerunners in her labor movement for the past 18 years.

The confederation of China's postal employees' unions was suggested and prepared in December 1929, in Shanghai, by a few far-sighted and gallant postal employees. Among these were: Messrs. Lu Ching-shih, Chao Shu-sheng, Chu Ying-hua of the Shanghai Post Office, and Messrs. Wang Shu-fan and Wan Yi-sheng of the Nanking Post Office.

The General Union was formally established on July 25, 1932, in Nanking, after three years of preparation, negotiation and cooperation with postal workers throughout the country. It then included 24 District Unions, almost all in provincial capitals or municipalities, and 51 sub-unions in the bigger cities and towns.

Time Of Chaos

This was a time of great political chaos, when the Revolutionary Army had been fighting the feudalistic warlords and bureaucrats who, supported by the imperialists, were desperately resisting the new tide that was spreading and sweeping the nation. Many faithful postal workers were tortured, imprisoned and killed and many others were expelled from the Post Office and suffered unemployment.

In spite of all this, the Union achieved a lot in those difficult times. It sponsored a general nationwide strike in 1932, objecting to the establishment of the Postal Remittance & Savings Bank. In addition, the strike was meant to safeguard the general interests of the Chinese Post Office and the integrity of the postal personnel system. The union succeeded in nullifying the humiliating Sino-American Aviation Contract and stopping illegitimate drawings on C.P.O. money savings. It urged the maintenance of postal rights in Manchuria after that area had been taken by the Japanese. It also subscribed a large sum of money for the purchase of airplanes for the Government, and contributed a large sum for a volunteer corps to fight the Japanese, who were then threatening to invade China itself.

Other attainments realized through the efforts of the Postal Union were: 1) Promotion examinations for postal employees; 2) Abolition of the Min Sin Chu (private civil post office); 3) Allowance to postal workers on an index basis; 4) Raising of annuities; 5) Educational allowances for employees' children; 6) Establisment of the postal cooperatives; 7) Extra promotion granted to diligent and honest workers without having to pass the examination.

The Union now boasts 28 District Unions throughout China. Its members number 45,466; including 7,561 Yu-wu-yuan, 8,027 Yu-wu-tso, 9,351 postmen, 6,950 couriers, and 13,577 others. There is probably no other labor union more unified than this one. The following is a summary of its chief specific characteristics:

Wide Range

(a) The union covers a wide range of workers. It includes postal workers from the lowest postal coolie to Chia Teng Yu-wu-yuan (highest staff workers). Its basic power, however, lies with the lower and not the high-ranking workers. Whenever something goes wrong, postal workers of the lower ranks will first make their complaint to the District Union, which, if it cannot satisfy them, will put the problem before the General Union in Shanghai. The latter is usually quick to respond and to carry the petition to the Directorate General of Posts in Nanking.

(b) The Union is enthusiastically supported by almost all postal workers.

(c) It is thoroughly democratic in handling its problems and managing its affairs. A postman can have a union leader recalled if he is proved to be incompetent. In union elections no bribery or threats are ever made to force votes. The feeling of confidence given by this contributes a great deal toward achieving agreement, even in seeming deadlocks.

Members Scattered

(d) Though the 45,466 union members are scattered all over the country, they keep close contact with one another by using the postal service to facilitate communication. Often news of interest to employees comes before official Post Office notification. Sometimes, when news of regulations benefitting the workers comes from union source, the

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regulations are carried out without waiting for official instructions. When anything happens in one postal district, news of it will quickly spread among the postal workers throughout the country.

(e) Postal Union members are steadfast; they are probably the staunchest of all Chinese labor union members. This is because on the whole they are well educated, accustomed to an organized life, cool-headed and honest.

The aim of the Union has varied some with the times. During and before the Sino-Japanese war, it aimed at boosting employees' pay and improving their living conditions, promoting the Chinese Post Office and accomplishing the National Revolution. Since V-J Day, its chief work has been to reconstruct itself, the C.P.O. and the nation. These may seem high ideals, but the Union is out to attain them.

Five general meetings have been called since the Union was established. The first was held in Nanking in 1932, in which 50 representatives from 16 District Unions participated. The last convocation was called on December 9, 1947, at which 179 representatives of 28 District Unions, including those of Taiwan, Sinkiang and Manchuria, were present. Many Government officials and socially prominent people came to listen to the debates on the 300 items on their agenda.

For all the union's glorious past, however, it now seems that there is a lack of harmony among the union leaders, as well as the postal workers themselves, because of outside pressures. Some are looking for rank and power outside the postal circle. Others want to get undeserved promotions within the Post Office. Besides, the KMT and some high-ranking Government officials, seeing its quick growth and far-reaching influence, are seeking to get their fingers into the Union.

Personal Influence

In an article entitled "The Postal Labor Movement at the Turning Point," Mr. Chao Wen-huan, Chief Secretary of the Union, observed in part: "On account of the rising and falling of various political parties, the friction of personal influence and unfair promotion through favoritism, as well as the outside pressure of existing general social corruption, many of our honest postal workers have been bogged down in the filthy swamp of our society. This has disheartened us, and has created widespread pessimism and rancor among us. The sullenness and exasperation always haunting our minds will probably become the most serious problem facing the postal labor movement in the future."

Despite its achievements of past years, there is still much work left undone by the Chinese Postal Union. One of the first problems to be tackled is the stamping out of the postal bureaucrats. Although there are admittedly less in the Postal Service than in other public services, their numbers there also are gradually growing beyond the bounds of efficiency. There is a tendency among the Postal Commissioners to sit back in their armchairs and look down upon their subordinates as being their own private property. To this group, feasting and gambling to entertain their superiors seems to be more important than efficiency, and they oppose changes which may deprive them of their special advantages. One of the Taiwan representatives to the fifth General Assembly is quoted as saying, "The present Postal Commissioner system must be abolished. They live in extravagance while our postal workers are suffering from starvation. Why should we allow such inequality?"

Looking To Union

Another problem confronting the Postal Union is the maintenance of the good postal tradition of increasing its employees' pay commensurate with their needs. We know that there is still less graft and corruption in the Postal Service than in other government agencies, but if the postal employees' pay is not raised soon to meet growing costs of living, it will not be long before the Post Office joins the ranks of corruption along with the rest. Postal workers are looking to their Union to accomplish necessary pay raises for them.

A third function of the Union at present is to help the Post Office to weather the existing economic crisis. The Post Office has long been in the red—ever since the Government adopted a "Post for Post" policy along with its cheap postage rates. The C.P.O. faces a severe financial crisis and, though the Government has helped to a certain extent by granting certain subsidies, the situation is far from being alleviated. It is hoped that cooperation may be attained between the Union and postal authorities in order to devise means to increase its income and curtail expenses without cutting employees' pay. A committee composed of representatives of both groups will be set up to consider the financial situation, a step which has become feasible only since the Union obtained its legal footing last December.

One of the chief reasons for the past efficiency of the C.P.O. has been its elaborate and tested personnel system, the basis of which was the fact that no one could qualify for a job in the Postal Service until he had passed an entrance examination. Another problem facing the Postal Union is the upholding of this standard. There have been indications recently that this heretofore rigid rule is being broken. It is hoped that the Union will take the initiative in demanding that the entrance examination rule be upheld by all branches of the Postal Service, and that, if this is not done, the Union be empowered to recall neglectful members as well as those officials responsible.

Principal Task

The final and principal task confronting the Postal Union is that of strengthening itself. A powerful and united union is necessary to effect the important tasks mentioned above. In this respect we hope that, as most postal workers are non-partisan, the Union will free itself from political entanglements, for this is necessary if it is to deal with its many problems impartially and well. Postal workers are demanding that political parties be forced out of the Post Office, and it is to be hoped that this can be accomplished.

It is also necessary, in maintaining the strength of the Union, that union leaders devote their whole energies to this cause. Many high-ranking labor leaders in China have their fingers in too many political and Government pies, and some of the Postal Union leaders have shown a tendency to use their present positions as stepping-stones to higher Government positions, rather than concentrating on the job of building the Chinese Postal Union and Postal Service into models of efficiency and service. Also, new leaders must be encouraged to join the old ones. Most of the present set of Postal Service labor leaders have held their positions for 18 years or more and, while we do not deny the value of their past experience and influence, it would certainly give them impetus if new blood in the form of promising younger men were allowed. We hope that, with the approach of the Laborer's Era, a group of young leaders will be admitted who are capable of renovating the General Postal Workers' Union of China and of handling its future problems.

No Pay-Off In Indochina

Andrew Roth

Saigon.

THE newly-arrived American business man slouched comfortably in his chair in the sidewalk cafe on Saigon's Rue Catinat and purred: "Say, this is okay." He had just come from "Bodega's," made popular not only by the excellent cuisine of the specially-imported Parisian chef, but also by the shapely form of Huguette—the sultry Eurasian *amie* of the proprietor—who always dresses in the latest, most revealing Paris fashions. His delicious meal there had cost him $2—at the rate of 42 piastres for one dollar which he had obtained in Bangkok. Beside him on the table was a bottle of excellent champagne which cost him only $1.20—again at the "unofficial" rate.

Along Rue Catinat, Saigon's main stem, strolled many lovely French women with high-piled coiffures, high-platformed soles and deep-plunging necklines. In addition, the street was enhanced by the slender and graceful Vietnamese women with their long silk, side-slit tunics, with trousers showing below. On both sides of the street could be seen modern looking store-fronts, many containing famous French perfumes and other luxury goods unobtainable in many parts of the world.

Decaying Tree

His companion, who had been in Saigon considerably longer, was more critical: "Yes, Saigon's an attractive town but it's like an orchid growing out of the trunk of a dead and decaying tree." He pointed out that Rue Catinat itself had such a wonderful, prosperous appearance largely because of its many newly-decorated soldier-crowded pubs, but these were testimony to the amount of money and manpower France has been spending fruitlessly in its attempt to reconquer Indochina. Already, France, which is pleading for economic help, has spent upwards of $600,000,000 and is spending at the rate of over $1,000,000 a day. Although one of its problems is a shortage of manpower it is employing 120,000 regular French troops—about half of them from metropolitan France—in addition to 30,000 auxiliary troops in Indochina. Several ships of France's inadequate merchant fleet can be seen regularly in Saigon and Haiphong because they are tied up in the profitless task of provisioning these troops when they could be used on profitable commercial runs.

"This town was really prosperous before the war, when it was the commercial hub of Cochinchina, the richest rice and rubber producing area in Indochina. But the present indications of prosperity are mostly phoney," the experienced one continued. He explained that Saigon itself was a city under seige. Almost every night one could hear rifle, machinegun and mortar fire on its very outskirts. Even the roads leading out of the town, once the arteries for bringing in rice and rubber, were now passable only by day and in convoy.

Many of the plantations which had produced the rubber had been destroyed by the "scorched earth" policy of the guerillas and in other cases unworkable because of raids by them. "If you remember, we couldn't get eggs this morning for breakfast. That's because the guerrillas have established a blockade around the city and are making it tough to bring in food."

His pessimism was borne out by the latest copy of the official "*Bulletin de Renseignements Economiques*" (Bulletin of Economic Information) which he now pulled out of his pocket. This demonstrated that Indochina, whose commercial riches had come from exports of rice, rubber and coal, no longer enjoyed very much of its pre-war prosperity. Before the war Indochina produced 8,000,000 tons of rice, or eight percent of the world output, and exported about 1,000,000 tons annually. During the past six months the average monthly export has been about 3,000 tons. Rubber, which average five percent of world production before the war, is now—as a result of extremely strenuous efforts—being exported at about 40 percent of pre-war levels. Present production of anthracite coal—Indochina's leading mineral—is about one-eighth of the 2,500,000 tons which was mined annually before the war. And the tin and tungsten mines are not being worked at all.

Piastre Over Valuated

"The imports into Indochina are standing up pretty well but if you look at them pretty closely, that turns out to be poor economics as well," he pointed out. The import figures ran about 18,000 tons in October, 1947, against a 1938 average of 27,000 tons, but this has its explanation in two factors: one, that the great number of troops in Indochina considerably increased the local purchasing power; second, the piastre was over-valuated.

"The Indochinese piastre is now rated at 17 francs, or US$0.14, but that's an artificial valuation. The French have very little to export from here at the present time, so they have over-valued the piastre in order to buy their foreign exchange at a discount. That way they also bring down the price of expensive French goods."

The new-comer then recalled that although the piastre is listed officially at seven to the US dollar, he himself had been able to get 42 to the dollar in Bangkok and had heard that in Hong Kong you could get 46 and 47 to the dollar. If he had bought his piastres at the official rate of exchange his meal would have cost him, not the equivalent of $2.00, but $12.00, and the bottle of champagne would have come to $7.20 instead of the $1.20 at which he had estimated its cost.

Black Market Dollars

His more experienced friend went on to tell him about one of the rackets that has grown up as a result of the over-valuation of the piastre. For some time in France one has been able to buy US dollars on the black market for about 300 French francs. It would take about 40 piastres to buy the same dollar in Indochina, although the piastre was supposed to be worth 17 times as much as the franc. Therefore smart operators had taken to buying dollars with francs in France, flying to Indochina with the dollars, selling the dollars for piastres at the "unofficial" rate and then taking the piastres to the bank and remitting them to Paris at the official rate. Thus if you take 300,000 francs in Paris and buy US$1,000, you can sell that $1,000 in American currency for about 40,000 piastres in Indochina; then the bank is compelled to remit to France at the rate of 17 francs to the piastre so that you would wind up with 680,000 francs instead of your original 300,000 francs. Even after taking out expenses you can double your money that way. "That's one of the things that keeps the Air France planes filled, and enables the women out here to wear the latest Paris fashions."

* * *

"SAY," interjected the newcomer, "how is it that there are so many European women here? There seemed to be many fewer Englishwomen in India than there are Frenchwomen in Indochina." "Well," responded his more experienced friend, "That's because the French have a different policy with regard to em-

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ployees in the colonies than the British do." He explained that in India the British had used only several British officials in key positions to maintain the British control over the government, leaving virtually all the middle and lower positions to Indians. The French colonies on the other hand, had as one of their chief functions the providing of well-paid jobs which could purchase a life of ease in the colonies for as many Frenchmen as possible.

Before the war there were almost 50,000 French people in Indochina. "Frenchmen are put into every job one can find," he went on, pointing to the French policeman on the beat, "even though it is wasteful as in the case of that policeman who has to have a Vietnamese policeman with him because most of the common people don't understand French, and everything he says has to be translated."

Unnecessary Officials

At this point a young, Paris-educated Vietnamese official joined them and couldn't help jumping into the discussion. "Not only do they take the best positions and load the administration with unnecessary French officials, but we only get ten-seventeeths as much pay as a French citizen, even if we have the same degree and experience and hold down identical jobs." He pointed out that before the war the budget provided a sum of 15,000,000 piastres for 30,000 Vietnamese government employees while 5,000 French functionaries received 40,000,000 piastres.

They agreed that this problem of jobs is providing one of the headaches in securing a solution to the Franco-Vietnamese difficulty, with the French fearing that any increase in self-government would mean a decrease in the number of jobs open to Frenchmen. Admiral d'Argenlieu, hardbitten former High Commissioner in Indochina, recognized this in a statement in which he revealed his concept of the future of Indochina, "As regards the internal status of the country, it will be granted broad autonomy. Undoubtedly, this will lead to the replacement of minor French officials by Annamites. Furthermore the big financial firms will replace their head bookkeepers with Annamite bookkeepers." But the French officials who hold the jobs now scream mightily every time they are replaced.

For example, "*L'Union Francaise*," a newspaper which is usually regarded as the spokesman for the French functionaries, protested against the very mild proposals of High Commissioner Emile Bollaert last September, because they provided for turning over many minor government posts to Vietnamese. One of the reasons for the protest is not the official salary, which in many cases, particularly in lower ranks, is very low, but in the opportunities for corruption. For example, there is a great dearth of housing in Saigon, and the official who handles the allocation of apartments and office space has tremendous opportunities for corruption. A Consul-General who asked for office space recently was asked for a 50,000 piastre bribe by one of the French officials in charge. Recently a low-paid French customs official was found to have 700,000 piastres in the bank. Much of this money had been earned by misrepresenting goods for the Chinese merchants, including certifying that they were exporting broken grains of rice when they were actually exporting whole grains.

* * *

The Good Old Days

FRENCH businessmen in Indochina look back longingly at the "good old days" before the war when they were able to exploit Indochina with very little opposition. There is no doubt Indochina is one of the richest prizes in the colonial world. It has valuable exports of rice, rubber, anthracite coal, tungsten, zinc and lead. Tremendous profits were realized; President Roosevelt is reported to have enraged General DeGaulle during the war by telling him that the French had taken 10 times as much out of Indochina as they had put into it. Although it is difficult to prove that statistically, it certainly is true that in 1934 to 1944 the Bank of Indochina made a net profit of 500,000,000 francs on an investment of 120,000,000. In addition to the natural riches of the country, French administration kept the labor very cheap, with the average Indochinese making about 1,000 francs a year just before the war. The French-controlled administration prevented the competition of foreign goods or of foreign business firms. Even now there are only four American firms in Indochina (two oil companies, a movie company and *United Press*) and not very many more British firms. Exports and imports were—and still are—a virtual monopoly of a few French firms. These business firms were able to export regardless of the needs of the people. For example, at a time when there were severe famines in the North, French exporters sent Cochinchina's rice abroad where it could make more profit.

Expenses Defrayed

And the French could defray the operating expenses of the government in any way they desired. A considerable portion of government revenue has come from the sale of alcohol and opium to the people. This continues and is being expanded. On some streets in Saigon one can see two government-sponsored opium dens in the same block. During 1947, the government realized 54,000,000 piastres from the sale of opium, and hopes to increase its sales and realize 73,000,000 piastres in 1948. When Mr. Granval, Financial Advisor to the High Commissioner, was asked why the sale of opium could not be stopped, he said that a special international agreement prevented the halting of its sale. Most foreign observers believe that all international agreements on the subject have as their purpose the ending

"FRENCH EQUILIBRIUM": A DUTCH VIEW

of opium sale and not its encouragement, but few of them are as experienced as the French on the subject of government sale of opium.

The French also realize governmental revenue from licensed gambling houses and brothels. Thus to get its license for 1948, "The Great World," Saigon's leading house of pleasure—a combination dance hall, restaurant, gambling house and brothel—has had to pay about $2,000,000.

The French are determined to keep these economic benefits. It is interesting to note that when Admiral d'Argenlieu returned from France at the end of 1946, he said that the French government would not discuss or give in on a number of subjects, one of them being "the maintenance and development of its present influence and economic interests." France is not alone of course in wanting to keep its economic interest in its colonies. England has attempted to do the same thing, but the British have decided that in order to keep their economic interests in such places as India and Burma, it is necessary to give dominion status or even complete political independence.

The French, however, are not able to do this because they cannot maintain their economic interests without control of the governmental apparatus. Even before the war France was much weaker than Britain economically, and did not have the great network of banks, shipping companies, insurance companies, export-import firms and managing agencies with which the British interlaced the economic life of their colonies. Now France is in an even weaker position and its products are rather shoddy and expensive.

Incredibly Expensive

The writer went dancing one evening with a young lady wearing a brand new dress in the latest Paris fashion, of French-made rayon. The evening was warm and the music torrid. At the evening's close I found the colors of the lady's dress on my white suit. On another occasion a bathing suit which I bought locally turned out to have disastrously weak elastic at the waist. After diving into the pool from a five-foot board I found the bathing trunks around my ankles. (Luckily, by this time a suspicion of French products had resulted in my wearing something under the bathing suit.) It is quite clear that such French products could not compete in the Indochinese market without French control of the customs and currency which keeps other products out or makes them incredibly expensive. Furthermore it is only by controlling the administration that the French can keep the number of over-paid and wasteful jobs that they now have.

* * *

THE determination of the French to keep their economic grip on Indochina has been one of the main factors preventing a peaceful settlement of the Franco-Vietnamese dispute. The present stage of open war is blamed by the French on the Vietnamese attack of December 19, 1946, which the French stigmatize as an unprovoked "Pearl Harbor" attack. But it had its origin in the French seizure of the customs administration of Tonkin. In a *Modus Vivendi* signed by Ho Chi Chi Minh and French Colonial Minister Marius Moutet in Paris in September, 1946, the French agreed to joint control of the customs. Despite this, they violated the accord in October and seized control of the sea coast of Tonkin in an attempt to throttle the Viet Nam Republic. It was out of a series of incidents arising from this and other violations by the French of accords signed by their representatives that the December 19 incident arose. And when, early in 1947, it became clear that the French Government was intent on reconquest by military force, the stocks of Indochina-interested French firms soared: the Bank of Indochina's stock rose 500 points.

Forced Labor

Last September's speech by High Commissioner Emile Bollaert indicated no change in France's intention to retain economic control. This was documented further at the economic conference held at Dalat in November, during which J. Bourgoin, Planning Advisor for Indochina, indicated that Indochina—if it followed French suggestions—would remain within a closed economy with French technicians controlling the tariff, currency and a highly centralized planning administration. He ridiculed the idea that American businessmen might be interested in investing here. He favored a continuation of the use of forced labor, under which system last year 50,000 Vietnamese were loaded in trucks by the French military and compelled to work on the rubber plantations. It was at this same conference that the French also announced that they would increase the amount of money made from the sale of opium.

Vietnamese disgust with the undisguised looting of their country by the French is one of the chief motivations of the nationalist movement here, the young Vietnamese explained. They are not willing to compromise on such things as the abolition of government-sponsored opium dens. Vietnamese leaders do recognize, however, that they will continue to need French technical assistance but they see no reason why a Vietnamese engineer with the same degree, experience and seniority should be paid only 60 percent as much as a Frenchman.

Vietnamese economists recognize the advantage of having French capital aid in the development of Indochinese economy, but they see no reason why French firms should have an 80 percent monopoly on exports, or why a French firm like Denis Freres should have a monopoly on the export of rice. They are willing to give a moderate preference to French products but they do not see why, when France cannot provide goods or can only provide them at exorbitant prices, they should not be able to purchase from other countries. In 1931, the average Vietnamese had an annual income of 49 piastres or 490 francs, or US$19.60. By 1939, his real income had fallen by 25 percent. Since then the cost of living has increased 25 times for an Annamite, while wages have gone up only 10 times. With the tremendous poverty here, the Vietnamese cannot see why they have to underwrite French inefficiency.

Own Needs First

In the past they have been sympathetic to France in her post-war weakness but quite understandably think that their own needs come first since Indochina has itself suffered greatly, first from the depredations of the Japanese and then from the damage inflicted by France's determination to reconquer Indochina against the wishes of its people.

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LETTER FROM EUROPE

Jacques Decaux

(Special Correspondent, The China Weekly Review).

Paris, February 13, 1948

IN the summer of 1944, young King Michael of Rumania was told by collaborationist Marshal Antonescu, Rumanian dictator under Hitler, "Do you realize, Majesty, that acting as you do you will lose your crown in the game."

Antonescu had reason to be displeased with the young sovereign. Did Michael not antagonize him steadily? Had not Michael sent him to jail when it became obvious the "Armies of Democracy" were going to overthrow the Hitler regime? And Antonescu foresaw that, once the Russians were in Rumania, there was every reason why the crown would not remain long on the head of its owner. In fact, when Russia did enter the country, it is to be wondered at that Michael remained in power as long as he did.

Complicated Story

The story of his abdication is a complicated one. With the communists in control, Michael had to accept the nomination of Anna Pauker, a Russian, as Minister of Foreign Affairs. Groza, a newly-appointed government leader, began to bluster that Rumania was the "last remaining stronghold of fascism in Europe," an open avowal of his hatred of the monarchy.

It was not surprising, therefore, to see the young king sent to London as official envoy to Princess Elizabeth's wedding. Some people began to suspect at this time that the trip was really a communist ruse to get Michael out of the country without making a martyr of him. The communist-dominated Rumanian government could not dispose of him as easily as the other political leaders whom they wished to be rid of. The king's personality, his links with other royal families of western Europe and the loyalty of thousands of his subjects made his overthrow difficult.

Once in London, Michael talked with Ernest Bevin and Winston Churchill. The latter is reported to have told him, "The important thing in life is to carry through with courage what you have begun." Churchill knew that Michael's return to his country might mean danger to his life, yet he felt that if the king did not return, communist propaganda would brand him a deserter. It was a difficult decision to make, but when ex-King Carol advised his son by phone from Lisbon to return and settle his financial affairs, Michael decided to do so.

From December 29 on, events took an inevitable course. The king was in Sinaia and received a telephone call from Bucharest. He was summoned to appear before the Government leaders, Groza, Anna Pauker and Bodnaras. The communists tried to find a suitable excuse for the abdication of Michael in his proposed marriage to Princess Anna of Bourbon-Parma.

Monarchial Roots

The strongest reason in favor of abdication was the fact that the king, with his monarchial roots extending deep into the hearts of the people, was completely against the dictatorial mass ideals envisioned by the communists. Politically, also, he had opposed the sending of war equipment to General Markos to be used in Greece.

The abdication was obviously inevitable. Not wanting it to take a dramatic turn, however, the communists "allowed" King Michael to send a proclamation to the peasants which gave them the right to choose by election their own regime. The abdication was announced, the Republic came in, and ex-King Michael was given his passport, on which the word "Kingdom" was crossed out and "Republic" substituted. He was arbitrarily named "Prince of Hohenzollern."

Michael is now living in Switzerland with a number of his followers. But money is short. There is doubt about his being able to get his personal possessions out of Rumania, possessions which include valuable paintings, jewels and other things. At present he is almost penniless, but his father, King Carol, has fortunately offered to take care of his expenses. Carol, who abdicated in 1940, is said to have salvaged a considerable amount of his personal fortune.

Marriage Uncertain

Michael is not even certain now whether he can marry Princess Anna. He thinks that the marriage should be postponed since the communists might say that the ex-king forgot his duty to the state simply in order to marry a girl. This means that the political game is not yet at an end; Michael is already thinking of the time when he possibly will be able to return to his country.

* * *

EX-KING Michael is not the only one to have had financial troubles recently. Both Italy and France have been having to tackle very delicate economic problems, the solutions of which may remain doubtful for some time to come.

In the case of Italy, Mr. Einaudi, who became a sort of super-minister of economy in October, 1947, had been trying to fight against inflation, skyrocketing prices, and for the stabilization of the lira both at home and abroad.

The Government first tried to diminish the importance of bank credits, and to use to its own profit a large amount of bank deposits. The result of this was, of course, that small enterprises found it impossible to use money for their normal working activities. They often had just enough funds available to pay their workers, but weren't able to afford either the purchase of raw materials or of new equipment.

Government Compaigned

Prices of public services were raised 50 percent, while the Government campaigned for the lowering of all prices, especially retail, in the hope that this would have a beneficial psychological effect on the public. It was also hoped that the freezing of credits would bring out hoarded stocks and that this too would cause prices to drop. After three months, the prices of some things on the retail market fell, such as meat, oil and sugar, while on the industrial level there has been no appreciable rise in prices.

The reason for the falling prices of some commodities lies in the parallel market of foreign currency. Persons having foreign currencies not declared were able to import *franco-valuta* at the time when agricultural products in Italy were becoming more abundant. It was agreed that all exporters might keep for themselves 50 percent of payments in foreign currencies, while the remaining 50 percent must go to the government at a middle price calculated on monthly quotations on the clearing and on the black market. On the whole, these new regulations are increasing the Government income and dealing the black market a hard blow at the same time.

But if some people believe this experiment to be a success, others believe most of the improvement regarding inflation and high prices is due mainly to natural causes. And, although the prices of agricultural products have dropped, industrial products are still at 70 percent over their prewar level which means that industries are losing money even while working. Bank loans are being made on the black market at 25 percent interest, and the stock market is nearly closed.

So while some phases of Italy's new program have been successful, others have proved far from effective and it appears that the Government will have to make some quick and drastic changes if it does not want to be the author of a failure.

MALAYA'S TREATIES MEET ACCLAIM AND OPPOSITION

Ngiam Tong-Fatt

(Special Correspondent, The China Weekly Review.)

IN November 1946, the Report of the Constitutional Working Committee, including drafts for the new Federation and State Treaties, was brought back to London by Mr. Malcolm MacDonald, Governor-General of the Malayan Union, for Parliamentary consultations. On December 11, 1946, the Secretary of State for the Colonies, Mr. Arthur Creech-Jones, said in the House of Commons that the British Government had approved the essential features of the new plan for a Central Government in Malaya. Mr. Creech-Jones further stated that there would be no final approval of the new plan until all the interested communities in Malaya could express their views.

In spite of strong opposition from all quarters, the State and Federation Treaties were formally signed in Kuala Lumpur, capital of the Malayan Union, by eight Malay Rulers and the Malayan Union Governor, Sir Edward Gent, on January 21, 1948. On the same day, the documents were brought back to Johore Bahru for the signature of the Sultan of Johore, who was unable to attend the signing ceremony on account of ill health. Only a privileged few witnessed this historic event.

Two Years' Work

Immediately after the signing of the federation agreement, Sir Edward Gent spoke: "Today sees the crowning of our joint work of over two years. I know there is at this moment in all our hearts a strong and rightful feeling of relief and gladness that the difficulties of two years ago have been resolved by patient thought and conference, by the cooperative skill and devotion of the members of the Legal Sub-Committee and the Working Committee, by the large measure of endorsement which the Federation plan received from the Consultative Committee.

"To the Secretary of State and other Ministers of His Majesty the King, the Governor-General, and to their advisers, I record our gratitude for unfailing confidence and understanding of points of difficulty which had to be resolved.

"For the future, let us in tolerance and understanding march on the same road to ever-increasing cooperation not only among ourselves, who have steered these agreements safely into harbor, but among all whose loyalty and homes are in Malaya, that we may win over those who at present feel distrustful. We cannot slacken our determination to achieve the full peace and strength and health of Malaya until, by setting an example of no provocation, of unfailing friendship and generous dealing, we convince all people that there is no cause for distrust, no fruit on the barren tree of non-cooperation, but that a good harvest for all citizens of the country will be gathered, if all play a constructive part in the public life of this, their homeland...."

In reply, the Sultan of Pahang, on behalf of the other Sultans and ruling Chiefs, said he hoped that the Federation would progress without hindrance.

On the eve of the signing of the State and Federation Treaties, the following resolutions adopted at a meeting at Batu Pahat were sent to all the Sultans of the Malay States by the Malay Nationalist Party, Johore:—

Treaty Illegal

"The Malayan Union Treaty and its proposed substitute are considered illegal and unacceptable to the prestige and independence of the Malays. They, and all those associations which negotiate or cooperate in the establishment of the Federation, are regarded as cowards, traitors, breakers of good faith and enemies of the Malay nation, country and religion, and traitors to the Constitution of Johore, as was decreed and willed by Almarhum Sultan Abu Bakar and witnessed, accepted, agreed and approved by the Ministers and present Sultan of Johore in 1885....

"It is requested that everyone in Malaya should support with sincerity and full determination all the efforts and movements that have been and are being made by Lembaga Kesatuan Melayu (Malay Nationalist Party) and all associations in Malaya in framing the rights of independence for their native land."

A cable was sent to the British Prime Minister, Mr. Attlee, by 12 Malay organizations in Johore, protesting the inauguration of the new Federation as illegal and contrary to Great Britain's treaty of friendship and alliance with Johore. At the same time, a copy of the cable was also sent to the United Nations Organization.

Opposition against the signing of the State and Federation Treaties by the Malayan Sultans was strong in all parts of Malaya, and at a special press conference on January 21, a spokesman of the Malay Nationalist Party at Malacca declared:

Not Final

"The finalization of the Federation Plan which culminated in the signing of the Agreement between the Sultans and the British Government is definitely not the final curtain on the Malayan political scene. Unconscionable as the scheme for the Federation of Malaya is, yet the Malay Rulers have put their signatures and their seals to an Agreement which has sacrificed the ordinary rights of the Malay Raayat. It has actually resulted in the deliberate triumph of class and privileged rights over the Malay masses.

"Democratic organizations in this country who have consistently opposed the imposition of the Federation will not give up their constitutional struggle although the taint of finality has been given to the new political design of Malaya, but on the other hand our common struggle will be all the more intensified. There has already been a closing of the ranks in every corner of Malaya, and in the hearts of the common people of Malaya there is this certainty: that the solidarity of the masses will utimately result in getting the Federal Plan scuttled and obtaining a constitution with justice, equality and fairness as its basis."

Widening Rift

"The rift between various communities," the spokesman of the Malay Nationalist Party further commented, "will grow wider and wider if the present constitutional provisions are perpetuated, and at the same time misunderstanding and distrust will flourish like an ugly, cankerous growth in the hearts of the various communities, and finally it will end in each community sitting on its own side of the fence. Cooperation and mutual goodwill will vanish, and the end can best be left to the Sultans and the Malayan constitutionalists to imagine. Before things are allowed to drift further, it must be brought home to the British Government that the Federation is not a guarantee of Malayan peace and understanding."

Just two days before the signing of the State and Federation Trea-

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The Shanghai Evening Post and Mercury

19 Chung Cheng Road, Shanghai (13).

ties, the Associated Chinese Chambers of Commerce of Malaya held a meeting on January 18, and decided to boycott the Federal Legislative Council and the various State Councils under the new Constitution, though it is feared that this resolution might cause a revival of Sino-Malayan racial disharmony. This decision of the Associated Chinese Chambers of Malaya was commented on in an editorial of the *Straits Times*, mouthpiece of the Government, as follows:—

Chinese Influence

"The decision of the Associated Chinese Chambers of Commerce, taken last Sunday, to boycott the Legislative Council of the Federation of Malaya and the State and Settlement Councils to be set up under the new constitution, comes as a great disappointment. The Chinese Chambers occupy a position of outstanding influence, and the danger is that other Chinese bodies may follow their lead. It is too early yet to assume that that is the Chinese Chambers' wish or intention, but it is a possibility, and "if it materializes the result may be that the Chinese population of the Federation will not be represented in the central legislature at all, or in the State and Settlement Councils, except perhaps by trade unionists, nominally representing the Federations of Trade Unions, but actually the Communist Party."

Defending the decision of the Associated Chinese Chambers of Commerce, the *Malaya Tribune*, in an editorial on January 24, stated: "With a courage equalled only by its optimism, the Associated Chinese Chambers of Commerce have embarked on an attempt to save the country from the consequences of racial disharmony which is to be feared from the imposition next Sunday (February 1) of a constitution within the Malay Peninsula which aims at cleaving the population into two antagonistic groups, Malays versus non-Malays.

"The Chambers favor—but do not attempt to dictate—a boycott by constituent members against the Federal and State Councils. In an environment in which no other channel of expression is open, passive resistance of this nature is all that remains to mark the deep-seated feeling of injustice which the Chinese community generally feels over the British Government's persistence in foisting upon the country a constitution which is notoriously one-sided and clearly aimed at implementing a continuation of the Anglo-Malay bureaucratic set-up.

15 Years' Residence

"Preliminary census figures have disclosed that Chinese constitute the largest racial group in Malaya as a whole. They outnumber all others in the large centers of population and have a dominating position in commerce. This constitution insists upon 15 years' residence as a qualification for acquired citizenship. This is a very much longer period than most sovereign countries require for the acquisition of nationality, let alone citizenship, which appears to confer little or nothing in the way of real privileges.

Rightists Protest

"For reasons best known to themselves, the British Government have seen fit completely to ignore Chinese representations on the constitutional issue. The original proposals for a broader based legislature and the creation of a national status came from Great Britain, only for the last named to be withdrawn immediately on protests from the right-wing Malays whose boycott immediately brought the British Government to heel, and all conduct of affairs since has been at the virtual dictation of the Malays.

"We are familiar with the broad principle that aliens cannot be allowed to interfere in domestic matters, but there is the equally broad consideration that equality is the very root and foundation of democracy, and the first principle of democracy is representation in proportion to numbers. It is an essential part of democracy also that minorities should be adequately represented. The Chinese, however, are not a minority but a majority. General principles applicable to the circumstances take no account of the exceptional position in Malaya, where immigrants of various nationalities are roughly equal the domiciled peoples and know no other country.

Council A Farce

"These facts considered, it is hardly surprising that Chinese opinion is not prepared to see its leaders enter into the farce of serving upon the Malay-dominated Council and thus giving the appearance of seriously accepting the peninsular constitution as a reasonable steppingstone towards political advancement."

A joint statement issued by the Putera and the Pan-Malayan Council of Joint Action declared that the Government's constitutional plan envisages a Federal Legislative Council which would perpetuate British rule, while appearing to be weighted with a pro-Malay bias. The statement further declared that only the imperialists, represented by British bureaucracy, would enjoy any real power under the constitution which the Government intends to enforce shortly, and that they would continue to do so increasingly at the expense of communal harmony.

The Malayan Democratic Union, one of the most powerful political parties in Malaya, has boycotted elections in view of the undemocratic nature of the new constitutional plan; and unless there are changes in the Federation Constitution, the domiciled peoples in Malaya will face a very critical future.

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Why Exporters Are Bitter

J. R. Kaim

WOULD-BE exporters are complaining bitterly of Central Bank policy. During the last days of February and on March 1, this writer talked with many businessmen and bankers—most of them Chinese, some American and a few European. With not a single exception, they criticized the policy of offices responsible for the Government's monetary decisions.

Briefly, their chief grievances are these:

During the month of February, the Central Bank increased its US dollar cover rate by 25 percent.

During the second half of February, the price of rice increased 80 percent.

Between February 1 and 28, last business day of the month, wood oil prices rose about 80 percent; raw silk, 70 percent; ramie, 75 percent; hides, between 50 and 70 percent; cotton yarns, more than 100 percent; and cotton piece goods, between 70 and 110 percent.

No Relief

What then, businessmen asked, is the 25 percent in the Bank's cover rate good for? Under such conditions, the packing credits granted to exporters would not relieve the situation in which they found themselves, for those credits were good for only one month. And even if packing credits were extended longer than a month, they could help little.

Overhead expenses increased tremendously in February, as can be seen from the drastic hike in the Cost of Living Index which, in Shanghai, was over 50 percent above that of the previous month. Prices of imported materials, such as iron goods, chemicals and dyes, rose between 60 and 90 in this month, and, in turn, affected cost prices of locally manufactured goods.

Exporting firms complain that in view of the conditions just described the only possible reason for a 25 percent hike in foreign exchange rates would be "to intentionally kill commercial exports." They further claim that, while commercial firms are hardly in a position to offer Chinese products abroad, Government corporations can, and have done so.

The Central Bank's exchange rates were called many things, the most flattering of which were "unrealistic" and "as bad as the time they stuck to the CN$12,000 to one rate last year."

Would-be exporters, interested in doing business with countries outside the Western Hemisphere, such as Europe, Africa and India, also complain of handicaps originating in the Bank's dollar-pound cross rate. In this, their main grievances are the following:

While the official dollar-pound cross rate in Britain, New York and on the European continent is about four dollars to one pound Sterling, the official cross rate here is three to one. The highest Shanghai quotation for the pound was US$3.20, and by the end of February, the Central Bank's price had climbed to just three dollars.

Showing me his correspondence with one Danish and one Dutch firm, a Chinese exporter indicated that all his cabling and letter writing had proved a futile investment because of the difference between official cross rates here and in London or New York. For imports from China, his clients can obtain from their respective State Banks pounds Sterling only. If he could quote in US dollars, his clients would calculate their cost prices on the basis of four dollars to the pound, and would remit pounds to Shanghai which the bank here would credit on the basis of about three dollars to a pound. Naturally this would mean a loss for the importer. On the other hand, if he cal-

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Enlightening the U. S. A.

—Fitzpatrick, in The St. Louis Post-Dispatch

culated and quoted on a basis of pounds Sterling, his clients would probably be forced to drop the offer, for his price would be actually about 30 percent above the world market price.

Reciprocal Arrangement

Exporters realize that the Central Bank cannot grant dollars for all imports from non-dollar and non-Sterling countries. It did recently decide to grant dollars for certain imports from Belgium, Sweden and Italy, and will, therefore, receive dollars for certain Chinese products shipped to those countries. It has also received dollar payments in other cases from non-dollar countries under the same reciprocal arrangement.

All this, exporters understand and acknowledge. What they fail to grasp, however, is why the Bank hampers exports to non-dollar countries by establishing a cross rate so different from all other official dollar-pound cross rates throughout the world. "The Bank," they say, "may have its reasons, but we fail to see them."

With unrealistic official exchange rates prevailing during the whole of February, cables from Hongkong, Macao and Manila indicated far greater depreciation of the fapi than is expressed in the 25 percent readjustment made by the Central Bank. And with the pound-dollar cross rate situation as described, only those commercial exporters who had bought their goods long ago could ship cargo in February. Even then, their profits were mostly theoretical; for with the amounts received, they were unable to purchase as much of the exported commodity as before, since its price had risen in the meantime.

As one Chinese exporter explained: "My profit means a loss in substance." He insisted that this would remain so even if packing credits were granted for two, or even three, months, "providing, of course, that I don't use the money for speculation on the market."

The Week's Business

THE very fact that for several weeks the Central Bank failed to readjust its open market foreign exchange rates whereas commodity prices soared and black market quotations were reported to have made drastic gains, resulted in new export obstacles for private exporters during the second half of February, and particularly in the period under review, i.e. from February 25 to March 3.

On March 2, the Customs came out with their December, 1947, Foreign Trade Returns, the results of which came as a surprise to most Shanghai businessmen. For the first time in many years, exports—in December—had exceeded imports by a considerably amount. The respective figures were as follows: December imports were CNC$1,783,232,049,000 compared with exports valued at CNC$2,116,048,763,000.

Such favorable results hardly had been expected by anyone in town and businessmen asked whether the above figures really illustrated the actual income in foreign exchange, or whether, as had been the case in November, large shipments had been made on consignment. Evidently, some large shipments were not made on a cash-and-carry basis in December either: ores and tungoil shipped to Russia were believed to have been supplied for settling Chinese debts, while some large piece goods shipments to African ports were believed to have been made on consignment.

In spite of such beliefs, the favorable December trade balance was still amazing. The great question, however, of whether the bulk of the shipments recorded was carried out by commercial firms or whether Government corporations were responsible for the improvement, still remains to be answered. The only source able to inform the public on this very important question is the management of the Central Bank.

Price developments during the week under review have been especially erratic. While the rice price came down—after having reached the CNC$3,000,000 per picul mark—and while chemicals lost, cotton yarn and most daily necessities continued to increase in price.

The Central Bank's foreign exchange policy also resulted in a heavy decline in Overseas Chinese remittances. In this respect suggestions made on March 2 by the Shanghai City Council, appear to be of general interest to businessmen here as well as abroad. Plans submitted by the City Council were described in the local press as follows:

"The price stabilizing program dominated discussions. The first point of the program stipulates the stricter control of foreign exchange and government permission for the use of foreign exchanges obtained from private sources for the purchase of food, cotton and industrial materials and factory equipment.

"The second point of the program urges the Government to restrain from constantly revising the foreign exchange rates. The third point provides that a subsidy should be granted to remittances from overseas Chinese after exchanging them at official rates.

"The fourth point is encouragement of exports, while the fifth point is to urge the Central Authorities to adopt a coordinated system for imports and exports."

By deciding that the plan be submitted to the National Government, the Shanghai City Council joined the numerous groups and organizations which, during the past six months, have submitted similar programs without, however, obtaining any favorable reply.

While little is being done to help trade and industry, much has been done recently to control financial institutions, bankers point out. During the week under review, the Finance Control Bureau was reported to have stated that its officials were not satisfied with the reports of 111 insurance companies which have handed in their investigation forms according to orders received. Most of those companies, the Bureau was reported to have stated, failed to report the manner in which they had invested their funds. Further investigation in this respect is expected.

Meanwhile, the money market was tighter than during the week before. The average open (black) market rate of interest at the beginning of March was 24 percent per week compared with a 22 percent average in February.

Quotations

Stocks	Feb. 25 CNC$	March 3 CNC$
Wing On Textiles	1,040	1,170
Mayar Silk	1,610	2,500
Commercial Press	460	500
Wing On Co.	380	410
Ewo Cotton	1,270,000	1,225,000
Bond C	88,000	91,000

Commodities	Feb. 25 CNC$	March 3 CNC$
White Rice, first	2,550,000	2,800,000
Wheat Flour	1,300,000	1,260,000
Peanut Oil	6,050,000	6,000,000
Raw Silk "C"	153,000,000	175,000,000
Jap. Rayon	153,000,000	143,000,000
Cot. Yn. (42)	105,000,000	122,000,000
Cot. Yn. (20)	67,000,000	70,800,000
Caustic Soda	85,500,000	87,000,000
Koo Pun Soap	3,900,000	4,150,000

NEWS OF THE WEEK

Deep Concern Over Manchuria; US Japan Policy Change Rumored

EVENTS in Manchuria have moved so fast during the past week many Old China hands, who still aver "things don't happen quickly in China" have been proved wrong.

The Communists chalked up two important victories in the last week of February as the result of their capture of Yingkow and Kaiyuan, thus tightening the ring around Mukden. The number of important centers now still in Government hands could be counted on the fingers of one hand. They are Kirin, Changchun, Szepingkai, Tiehling, Fushun, Chinchow, Hsinmin, standing as they are like so many islands in a stormy Communist sea.

Press reports stated that the abandonment of Changchun, Kirin and Szepingkai had been approved by the Government High Command but it remains to be seen how the isolated Government garrisons at these outposts will be able to fight their way out without sustaining heavy losses.

Stiff fighting is reported to be going on at Szepingkai, Hsinmin, Fushun and Chinchow. On the one hand, the Communists are fighting fiercely in order to take all the strategically important centers on the outer perimeter of Mukden so as to starve Mukden out. On the other hand, the Government is sending strong reinforcements in order to blast an overland supply line to relieve Communist pressure on Mukden. The race for time between the Government troops and the Chinese Communists will determine the outcome of the current fighting in Manchuria.

The general feeling is that time is rather short for the Government troops. According to Spencer Moosa, Peiping correspondent of the *AP*, "the hope of a Nationalist comeback in Manchuria is dead or dying. The main question now is how soon the present disintegration will become a total collapse.... The feeling over the future of North China and Manchuria ranges all the way from dark, undiluted pessimism to the airy Old China hand quip that the situation in China is always hopeless but never serious."

President Chiang Kai-shek assured a group of visiting Manchurian elder statesmen that the Manchurian situation constituted one of the most important problems uppermost in the minds of the Government and that the Government, no less than the Manchurian visitors themselves, was concerned with developments in the Northeast. The President promised to do his utmost to avert the deteriorating situation by sending crack armies to re-open the vital supply lines there.

* * *

Role of Chinese Intellectuals

AS a reply to Ambassador Stuart's direct appeal to Chinese intellectuals, Dr. Hollington K. Tong, director of the Government Information Office, pointed out that the American Ambassador "had overstated the problem" of non-cooperation of intellectuals with the Chinese Government. Dr. Tong said in part:

"Of course China, like all countries, has many intellectuals who are temperamentally out of sympathy with their government. Many of them would be critics of any government. George Bernard Shaw once described this temperament as that of the 'professional againster.' China is glad that it has such intellectual critics. They are the sign of a healthy ferment of ideas in men's heads. They give us yardsticks by which to measure the value of our achievements.

"But to assume from this that there is any mass opposition of the intelligentsia in China to the Government is far-fetched. I know of no evidence to confirm this...."

"NO OPEN DOOR"

Duffy in The Baltimore Sun

It will be recalled that Ambassador Stuart in his message paid high tribute to the patriotic idealism of the Chinese students and advised that the people must continuously bring the weight of enlightened public opinion to bear upon the conduct of government to prevent misuse of power by those in office....

* * *

League Denounced as Red Organ

GOVERNMENT spokesmen and the Chinese press started a vigorous campaign against the outlawed Democratic League. Describing the League as a "Communist organization in disguise," Dr. Hollington Tong said:

"It may be recalled that the Democratic League was outlawed by the Government some time ago for collusion with the Communist rebels. ....Their close association with the Communists has been well established. It is no surprise therefore that slogans adopted by them are identical with those of the Communists. Certainly the Government cannot but regard their activities as that of a Communist organization in disguise."

Leading pro-Government newspapers carried strong editorials attacking the League as rebels or Communist tools, stressing that it was foolish and dangerous to cherish any illusion regarding the "true colors" of the Democratic League.

The sudden outbursts against the Democratic League, according to some political observers, may be regarded as an indirect reply to Ambassador Stuart's appeal to Chinese intellectuals.

* * *

US Helps Japan

THERE have been growing indications that the United States is becoming more and more interested in Japan. Secretary of State General Marshall sent his top foreign policy adviser, George Keenan, to Japan to confer with General Douglas MacArthur and collect first hand information on the situation in Japan and in other countries in the Far East. It is rumored that China is most likely to become a topic of discussion between Keenan and MacArthur.

High official sources in Washington pointed out that Keenan's visit to Tokyo heralded a United States intention to "revise drastically" its policy toward Japan by devoting all its efforts to building Japan up as a bulwark against Soviet expansion in the Far East.

A *UP* story from Washington threw some interesting light on this matter. According to this story, "The United States has decided to abandon its Potsdam position calling

for punitive action against Japan and instead to seek means of restoring that country to economic prosperity which would enable it to serve as a barrier against Communism in Asia. They said that the Keenan mission is to acquaint Supreme Allied Commander General MacArthur, who has long held such views, with the fact that the State Department has come around to that way of thinking. They added that basically the United States had decided several months ago that it would have to build up Japan rather than tear it down. The first Administration feeler on this subject was put out by Secretary of the Army Kenneth Royal on January 6, when he said in San Francisco that the Americans are revising their attitude on economic policy for Japan in the light of current developments.

Meanwhile, *UP* reported from Nanking that China's attitude toward Japan in general and the Japanese peace settlement in particular also has undergone a radical change recently and has shifted toward virtual identity with American policy. The story read in part as follows:

"The new attitude contrasts sharply with the Government's former stand, which was announced last April as similar to Soviet Russia's. China would not attend any peace conference in which Russia is not represented. The change, moulded by the 'slow but steady' Foreign Minister, Dr. Wang Shih-chieh, is dictated mainly by the growing Communist threat to China and to the world. A high Government official said that the change has bridged the gap between Chinese and American views on Japanese peacemaking on all major problems, although there is still some divergence on minor issues, which are easy of solution. He said the Chinese Government now regards a peace settlement as of lesser importance than the economic rehabilitation of Japan, which will enable Japan to take a place in the global policy of containing Communism."

* * *

Military Aid for China

THE campaign for military aid for China is gaining strength in the United States. With the rapid deterioration in the military situation in Manchuria, more Republican leaders and other Administration critics have joined the drive. Representative W. J. Dorn introduced a resolution to the House calling for the formation of a mutual military assistance pact between the United States, China and countries in Western Europe to fight world communism. Representative Robert Sikes denounced the American policy of "too little and too late" aid for China and demanded that the Administration vigorously furnish arms, bullets and planes to Nanking.

Following the announcement of "secret" sales of American arms to China, the United States Government further disclosed a long secret agreement under which the United States undertook to provide China with a first-line air force of 1,071 planes including heavy bombers and fighters. It was further revealed that 936 aircraft have already been delivered to the Chinese Government. Another 135 planes have been earmarked for delivery at a later date. They will include 37 B-17s, 42 P-47 Thunderbolts, 53 P-51 Mustang fighters and three C-47 transports. In addition, US$178,000,000 worth of air force equipment remains to be shipped to China.

Besides supplying planes, the United States undertook in an agreement to train Chinese fliers and technical personnel. The training program involved 1,564 pilots. 365 bombadiers, 192 navigators and 3,034 technicians.

However, Chairman Styles Bridges of the Senate Appropriations Committee considered this military aid as "not adequate" and stressed that China's immediate critical needs are for small arms and ammunition for battling Communists in the north.

Informed quarters in Washington generally agreed that the question of United States aid to China threatens to become one of the larger domestic political issues in this critical election year.

* * *

N. Korea Govt. Denied

THE chairman of the Presidium of the People's Assembly of North Korea, Mr. Kim Du Bon, denied American press reports to the effect that a separate state had been set up in North Korea. The Moscow Radio quoted the North Korean leader as saying:

"These reports represent nothing but a provocative fabrication aimed at covering up and justifying anti-popular actions in South Korea and efforts of the American military command to separate South Korea from North Korea....

"With all their tricks the reactionaries of South Korea and their American protectors will not succeed in misleading world public opinion and concealing the real desire of the people of North Korea as well as the Korean people as a whole to establish a united democratic and independent Korean state with a truly popular government."

Meanwhile preparations are being made according to plan for the holding of a general election in South Korea under the supervision of a commission of the United Nations.

The general election has been tentatively fixed for May 9. In a public statement General John Hodge, United States commander in South Korea, assured the Koreans that "balloting will be carefully watched by all the democratic nations of the world in the hope that the world may be shown conclusively that Korea accepts its responsibility and is prepared to take its right place in the family of nations."

Separatist Movement in Taiwan Denied

DR. Sun Fo, President of the Legislative Yuan and concurrently Vice-President of the Chinese Republic, stoutly denied current rumors on separatism in Taiwan and accused a representative of the USIS in Taiwan of responsiponsibility for the circulation of such "erroneous reports." Sun warned: "Taiwan is Chinese territory and we will not tolerate any foreigners coming here to stir unrest."

An American Embassy spokesman said the Embassy was "investigating" Sun's statement but declined comment pending an official report from Taipeh.

Vandenberg Makes Aid Plea

MAKING a strong plea for quick passage of the Marshall Plan, Senator Arthur Vandenberg, Chairman of the Senate Foreign Relations Committee, warned of "the rise of new aggression reaching out for ominous conquest amid distraught and disintegrating peoples."

He made a bitter attack on Russia and the Communists, charging that Russian opposition to the Marshall Plan was a "conspiracy to prevent the emergence of order out of chaos, stability out of confusion and Western freedom out of hopelessness."

The Senator further warned: "The Communists everywhere have responded. A great sabotage is under way. The orders from the Kremlin are to wreck this enterprise. Thus the post-war pattern continues in a familiar and consistent form.

"Aggressive Communism threatens all freedom and all security whether in the Old World or in the New, when it puts people anywhere in chains."

Calling for full Senate support for the Marshall Plan, Senator Vandenberg stressed: "In the name of peace, stability and freedom it deserves prompt passage. In the name of intelligent American self-interest, it envisions a mighty undertaking worthy of our faith. It is an economic act—but economics usually control national survivals."

US Magazine Roundup

Business Week

AN article entitled "Who Holds China's Future," attempts to forecast possible future events in China on the assumption that the Kuomintang is "bogging down in a morass of military defeat and inflation."

"Before the end of 1948 you may be hanging a new map of China on your wall. It would show two Chinas instead of one—Communist China to the north of the Yangtze River, Nationalist China to the south. That's how dark the prospect for the National government of Chiang Kai-shek looks this week.

TOO LATE—"A year ago the Chiang government might have saved itself, and kept control of almost all of China except Manchuria. Realistic US observers now say it is too late for Chiang to do either. Military failure has piled on military failure. Economic mistakes have been compounded by printing-press inflation. Only Chiang and his party stalwarts still believe that, with US aid, they can avert the coming cataclysm.

So American businessmen can forget the dream of a united China ready for industrialization under US tutelage. The China coast may remain open from Shanghai to Canton. But the industrial resources of Manchuria and north China will be in Communist hands.

THE NEW PROBLEM—"Washington can pretty well forget the squabble between Congress and the State Department over 'how much aid for China?' The two key problems will soon be:

(1) "Whether to back the Chiang regime as the government of south China; and

(2) "Whether to trade with Communist China—which might require recognition of that government—in order to get essential raw materials for economic recovery in Japan.

QUESTION OF SURVIVAL.—"Chiang is still firmly in the saddle at Nanking. He has the backing of the most powerful right-wingers in the Kuomintang (China's ruling party since 1912). But it's a moot question how long the Chiang regime can survive.

The answer may soon be provided far to the south, in Canton.... Soong is now governor of Canton, the first civilian to hold the post. He got the appointment from Chiang—but he has his own military staff with him, and strong backing from western-minded Chinese businessmen. Members of the CC Clique who are heading south to undermine his position probably won't get far.

If and when a Nationalist government is formed in the south, Soong aims to be Premier. There's a chance he would accept Chiang as titular leader, perhaps as President. But it would be on his terms, not Chiang's. And that's where the rub would come. The CC crowd would fight this to the last.

"It's impossible to fix a timetable for formation of a government in the south. Soong obviously won't make an overt move while there's still a chance of effective opposition to the Communists from Nanking; that would put him in the position of a back-stabber and damage his chances of getting US support. But the way things look now, the Chiang regime may get into such hot water during 1948 that a new government will be necessary this year....

IN THE SADDLE—"There's no riddle about who will govern north China. The present Communist leadership under Mao Tse-tung has proved able to administer as well as to conquer territory.

"But the relations of China's Communists to Russia are an unknown. Mao and most of his right-hand men are Moscow trained. There's no doubt that they have had Russian help in Manchuria, at least in the form of Japanese arms. However, they had to pay a high price for these arms in foodstuffs. And the chances are they will get little Russian economic help for some years....

FUTURE—"What lies ahead? Main interest of the US is that China should not fall under the control of Russia. As it stands today, the Kuomintang government isn't much of an anti-Russian force. Most foreign observers, including top American diplomats, believe that it could only be made successful if the United States came in and ran the whole show. But Chinese nationalism would sabotage such a program even if American antipathy to imperialism were overridden at home.

"Another possibility is to pour in little money and aid to keep the Chiang government barely alive, in the hope that new leadership will appear. The group gathered around Soong in Canton might provide that leadership."

* * *

Nation

THIS magazine's Moscow correspondent, Alexander Werth, notes that: "Two outstanding events marked the end of 1947—the breakdown of the London Conference of Foreign Ministers and the great monetary and economic reform instituted by the Soviet government. The latter is not merely an internal matter. In the Russian view an immense impression will be produced abroad by the fact that less than two and a half years after the end of hostilities, the Soviet Union — first among the belligerent countries—has put its financial house in order by sweeping away all the monetary mess caused by the war and scrapping rationing....

"Undoubtedly, one of the main purposes of the dual reform—the simultaneous application of both measures is considered by the Russians to be a particularly brilliant piece of planning—is to favor the productive worker and thus stimulate accomplishments of the "Five-Year Plan in Four Years." With such immensely important items as breads and cereals even cheaper than they have been recently under the rationing system and with sugar to be bought at 15 rubles a kilogram, the worker's table will be better supplied....

"The productive worker is clearly better off under the new system, though sacrifices have been required of him, too. Virtually every wage-earner is a bondholder, and government bonds were converted at the rate of three to five old rubles for one new (with the exception of the 1947 loan, of which only the first instalment has been paid for). The justification for the devaluation is that most of the bonds were brought during the war with already depreciated rubles. It is significant that the least advantageous conversion terms—five to one—were allowed to the 1938 bonds, the only negotiable Russian bonds and thus a great favorite with the 'speculators.' Some individuals have suffered hardships, but those worst hit are the rural and urban speculators who preferred not to disclose their currency holdings by putting them in the savings banks....

"In a country of Russia's natural resources, the abolition of rationing in the urban area is indisputably an easier task than it would be in Britain, which so largely depends on imports, but that it could be done so soon, relatively, after the war is in large part attributable to the immense and successful Soviet efforts to put agriculture and industry in order....

"To stimulate production of both foodstuffs and manufactured goods by increasing prosperity inside the Soviet Union is clearly one of the principal objects of the reform, and it is obvious that Russia had no intention of becoming a large food exporter, whatever the inducement....

"Malenkov in a recent speech said that one of the hindrances to post-war reconstruction was the limited amount of machinery that could be imported, the international situation being what it is. An increase in such imports, as the present Anglo-Soviet talks show, would be welcomed. But apparently they are not a matter of life and death: we know, for instance, that the great Zaporozhe steel mills were restored exclusively with Russian-made machinery."

The Review's English Lesson—XXI

TESTING YOUR MEMORY OF PREVIOUS LESSONS

THIS introduction and the following story appear to be **purposely exaggerated** ( ), but we must remember that they are **serving two purposes at the same time** ( ). First, they are testing your memory of words and expressions previously explained in the English Lessons; and second, they are giving you a chance to fit those expressions into a continuous text.

Wherever you see an expression in heavy type followed by a parenthesis, substitute from the list printed at the end of the story the expression that comes closest to the meaning of the expression in heavy type. To make things easier if you prefer, just write the number of the correct expressions you choose in the parentheses. Next week the correct order of the numbers will be printed, along with the number of the English Lesson in which each was first explained.

CHOU Yu and Chu Ko-liang were both wise councilors, but they did not **agree with each other completely** ( ). One day Chou Yu held a council meeting in order to plan an attack on Ts'ao Ts'ao by water so that he could **reduce the** latter's **military strength** ( ). He asked what was the first requirement.

Chu Ko-liang was in the council and said, "Of course, arrows."

"A very good suggestion. **I thoroughly agree with** ( ) you. But we need arrows badly and there are none **to be bought** ( ). I should like to ask you to make 100,000 arrows for our army. I hope you will not refuse to help," Chou Lu said. "Could you have them ready within 10 days?"

"If we wait that long the **chances of success** ( ) will be very much against us, for Ts'ao Ts'ao's soldiers will march upon us quickly," Chu Ko-liang replied. "Then we will be **in very great trouble** ( ). I can **be depended on** ( ) to give them to you in three days."

"There is no joking in the army, my friend. You must make a **complete** ( ) effort," Chou Yu warned, for he was in a state of **great anxiety** ( )."

Then Chu Ko-liang **joined forces** ( ) with Lu Su and asked him to prepare 20 boats, each to be lined with cloth, and to be manned on all sides with scarecrows made of straw. He also warned Lu Su to be **very careful in speaking** ( ) because in his preparations he wanted **to avoid** ( ) Chou Yu.

Not knowing of this **arrangement** ( ) Chou Yu waited impatiently for the arrival of the third day to see how Chu Ko-liang would carry out his promise.

It was a very foggy night on the Yangtze River, and soon the boats arrived near Ts'ao Ts'ao's fleet. Chu Ko-liang then ordered the boatmen to turn their boats around, and to make a great **alarm** ( ). Lu Su was greatly frightened and asked, "What if Ts'ao Ts'ao should overtake us?"

Chu Ko-liang replied, "I bet that Ts'ao Ts'ao won't fight in such an **unusual** ( ) fog; we will just have a merry time drinking wine."

When Ts'ao Ts'ao and his generals heard the great noise of trumpets and drums, they called out a great force of some 10,000 archers. The archers shot their arrows like torrents of rain, and the arrows struck the scarecrows on the sides of the boats. As the fog began to disappear Chu Ko-liang ordered his boatmen to return, and to shout out their thanks to Ts'ao Ts'ao for the arrows.

Chu Ko-liang then asked the boatmen how many arrows there were. "There must be over 100,000," was the reply. He then turned to Lu Su and said, "We have got our arrows **freely in victory over** ( ) our rivals."

"When I recall that a few days ago we were an **unknown quantity** ( ) in this struggle, I **am encouraged** ( ) by your genius," Lu Su replied. "How did you do it?"

"**To condense** ( ) the story I would say that a general is like **a common man** ( ) if he does not know astronomy, geography, and meteorology. I had **previous knowledge** ( ) that this morning would be foggy, so I was able to defeat Chou Yu's evil plot against me even though he **spoke as if in agreement with** ( ) my efforts. My life, as anyone else's, depends on Heaven."

Where do the numbers of the following expressions fit into the above?

1) banded together
2) get a lift
3) at the expense of
4) see eye to eye with
5) bypass
6) odds
7) dark horse
8) be counted on
9) out of the ordinary
10) on the market
11) jitters
12) the man in the street
13) doing a double-barreled job
14) advance dope
15) all-out
16) paid lip service to
17) to boil down
18) am in line with
19) very guarded
20) in hot water
21) set-up
22) pull the.....teeth
23) hue ond cry
24) far-fetched

What US Papers Say

SUBJECTS of interest to China which were discussed in the US press last week included: the UN decision to authorize elections in Southern Korea, the partition of Palestine and Communist domination of Manchuria as it relates to the question of US aid to China.

* * *

Korea

BOTH the *New York Times* and *Washington Post* came out strongly in favor of the Little Assembly's decision to authorize elections in Southern Korea. Said the *Times*: "In the first concrete proposal to be put before the Little Assembly, the United States has urged that the UN carry out the resolution of the General Assembly on Korea, despite Russian defiance, and proceed with nationwide elections where these are possible as a first step toward the restoration of Korean independence.

"In making this proposal, Mr. Jessup, American deputy delegate, took cognizance of the fact that because of Russia's 'negative attitude,' which barred the UN Commission on Korea from the Russian occupation zone, such elections might have to be limited to South Korea, which is under occupation by the US. But he argued that South Korea contains two-thirds of the Korean population, and that even if Russia prevents the one-third under her control from participating in the elections, or in a national assembly thus created, this would be no reason for depriving the whole country of an independent government.

". . . A strong, democratically elected government in South Korea —one which had behind it the majority of the United Nations and not just a single major power—would seem to be a better guarantee of an eventual union of South and North (Korea) than anything else that could be done at this time . . ."

The *Washington Post* had this to add in discussing the Korean question: "Only an incurable optimist could believe at the present juncture that the Russians would agree to any unification of Korea that did not leave the country a mere Soviet satellite. The United Nations has all the evidence it needs of Russian determination to boycott and flout any UN-supervised effort to hold elections in all of Korea. There has been no more clearcut case of deliberate violation of a UN decision . . . Korea already has been left too long in a political vacuum, and more delay would mean only further deterioration with increased unrest and violence."

* * *

Palestine

US delegate Warren R. Austin's statement to the UN Security Council on Palestine has been sharply criticized by many major newspapers, but some editors expressed hope that an effective solution to the problem may yet emerge.

The *Washington Star* had this to say about the problem: "Mr. Austin's attempts to make a distinction between the use of armed force to maintain peace and the use of armed force to enforce partition." Admitting that it is the duty of the United States to support any decision made by the UN, the *Star* goes on to remind us that there are other important considerations involved. "One of these has to do with the oil of the Middle East . . . If this oil really is vital to our security or to the security of the Western world, that is a consideration which has a significant bearing on what our course of action in Palestine should be."

The Philadelphia Inquirer: The new switch marks a surrender of leadership and US retreat into a network of legalistic hair-splitting that makes it doubtful whether partition can now be achieved . . .

"The problem should be faced manfully right now either by making the proposed partition plan effective or by devising, if possible, a more acceptable plan for peace and freedom in Palestine. The United States should take the lead in seeking adequate action by the United Nations."

And, finally, the *Baltimore Sun*: "At this stage, nations can do no more than consult, since no armed force stands readily available under Article 43 of the UN Charter. Thus, with barely 10 weeks remaining before the British lay down their mandatory power, the Security Council begins to consider this difficult problem of securing peace in Palestine. Difficult as the question is, there is no way by which it can dodge its ultimate responsibility without damaging the United Nations irreparably."

* * *

China Aid

THE *New York Herald Tribune*, commenting on Senator Robert A. Taft's speech in which he dealt with US policy toward China, declared: "The bitter truth is that nearly everything in Manchuria was lost to the Reds many months ago . . . This unhappy situation is not a result of lack of American aid. The Chinese soldiers assigned to take over Manchuria for the Nanking Government after the end of the war had excellent American equipment. Many of them had been trained by first-rate American officers; the best of them were superb soldiers. But all this strength was wasted. Incompetence—and worse—in the Chinese high command in Manchuria, as well as poor direction from the still higher command in Nanking, threw away the advantage . . ."

"If Senator Taft were the only important American who failed to understand this situation it would be difficult to forgive him. Unfortunately, however, he has plenty of company . . . The height of absurdity is reached when the very same men who want to reduce sums appropriated for recovery in Europe, where American money can be used with excellent results, proclaim that all that is needed to defeat Communism in China is more and more American aid for Nanking."

The *New Orleans Times Picayune* declared: "We have seen no recent tabulation of the aid given the Chiang Government since the war, but it is known that the total figure is large. Since China could scarcely be worse off than it is today, the ineffectiveness of this assistance appears obvious. We know of no reason why future assistance will be any more effective unless the powers in the Chinese National Government are willing and able to adopt reforms which promise better results."

In a more approving vain, the *Indianapolis News* said: "The half-hearted program that is contemplated is justified only in the hope that the Chinese Government will respond with some reforms. And there are some signs that Nanking is planning certain changes privately urged by Washington.

"If the European recovery program is a calculated risk, this pumping money into the leaky economy of a corrupt government is little short of an international gamble. Yet if, as the President puts it, 'this program can accomplish the important purpose of giving the Chinese Government a respite from rapid economic deterioration,' the limited objective would seem justified until better means can be found."

US political implications in the China Aid question were mentioned by several US papers, among them the *Cincinnati* (Ohio) *Enquirer* and the *Baltimore Sun*. The former commented: ". . . The impression given by the sequence of events is that the President wanted to delay aid to China for some months until the European Recovery Plan was well under way, but found that he could not resist the pressure from Republican leaders in Congress . . ." And the latter had this to say: "In tempering Republican enthusiasm for sending American dollars to Chiang to fight the 'Communist menace,' Secretary Marshall is at a decided disadvantage . . . by knowing and understanding the facts . . . The real solution, as General Marshall repeatedly stresses, is for the Chinese to put their own house in order; to end the corruption in government, divide the political and military; attend to the starving and overtaxed peasant, and train a little the troops who are supposed to fight the Communists. Once these reforms are made, two happy results might follow. Internally the Communist appeal might lose its momentum, and what aid America could give might be of good and permanent use."

What Chinese Papers Say

THE Chinese press last week expressed deep concern over the recent political crisis in Czechoslovakia and deplored the steady deterioration in the Chinese situation. United States Ambassador Stuart's personal message to the Chinese people excited criticism.

* * *

Czechoslovakia

THE *Ta Kung Pao* regarded the capture of power by the Communists in Czechoslovakia as "a warning to the Western nations."

"The Marshall Plan will not be implemented through the United Nations. The United States wants to help Europe bring about economic recovery with financial and material power alone. Such a tremendous effort is unprecedented in history. Any unilateral action not taken through the United Nations will naturally arouse opposition from other quarters.

"Since the announcement of the Marshall Plan, the nine-nation Cominform in Europe has been formed, the Balkan and Danube Unions have been organized and the economic organization for Eastern Germany has been strengthened. Now there is a political crisis in Czechoslovakia. The very fact that these developments have taken place in rapid succession indicates very clearly that both in time and in efficiency the activities of the East have surpassed those of the West.

"The European Economic Recovery Program has been under discussion for a long time, but so far it has not yet produced any definite result. The Marshall Plan is so comprehensive that a long time will have to pass before it can be put into operation, but is there any guarantee that it will turn out a success in the long run?"

The *Sin Wan Pao* felt grieved over the "death of democracy" in Czechoslovakia, and stressed that Communists will use any means to gain their ends.

"In a couple of days, democracy in Czechoslovakia has been destroyed by the Communists. During the past 10 years, the Government leaders of Czechoslovakia have exercised great patience in dealing with Soviet Russia and the Communists and have made many concessions to the latter. But in the long run their efforts have proved futile. When the time was ripe the Communists showed their true colors.

"The Communists have no Fatherland. They believe in the policy that the end justifies the means. All the slogans used by the Communists are false, as has been further proved by the political crisis in Czechoslovakia. What has worried us most is that up to the present there are still many people who do not fully understand the true face of Communism and there are many far-seeing statesmen who still want to talk peace with the Communists. We lament the death of democracy in Czechoslovakia. We further regret that so many people in the world have allowed themselves to be fooled by the Communists."

* * *

China

"WE are not afraid of a difficult situation," the *Sin Wan Pao* editorialized. "What we are worried about is confusion. If both our thinking and our actions are confused, our opponents will take advantage of our weakness to overthrow the status quo and become masters of the situation without much trouble.

"After V-J Day, the situation in China was the most confused at the time of the Political Consultative Conference. Then, the Government decided to quell the Communist rebellion. The moment the general mobilization order was issued, the whole confused situation became instantly clarified.

"True, one cannot be optimistic about the present situation in China, but it is certainly no worse than it was during the war with the Japs. If we can hold on, we will be able to find a way out . . . We believe that if only we can have a clear understanding of the whole situation, and if only our actions are firm from the beginning to the end, the ultimate victory of the bandit-suppression campaign is in the bag."

The *Chung Hua Shih Pao* stated that there was a widespread nervousness as the result of the soaring commodity prices.

"Because of the rapid and alarming deterioration in the war situation in Manchuria, some panicky people in Nanking and Shanghai are reported to be planning to move their capital to the South. The situation was much confused by the statement issued by General Marshall that the collapse of the National Government of China is possible unless American aid is forthcoming. . ."

The paper suggested that in order to clarify the present confused situation the Government rush heavy reinforcements to Manchuria to launch a grand counter-offensive. At the same time, the Government should issue a public statement explaining the current situation in this country so as to correct the misconceptions of the people about a possible collapse of the Government.

US Ambassador's Message

THE *Ta Wan Pao* strongly objected to the Ambassador's direct appeal to the Chinese people, arguing that the interview is most likely to arouse misunderstanding.

"At this time, when the rebellion-quelling campaign is being stepped up, the *United Press* suddenly circulated a rumor to the effect that Soviet Russia had offered to mediate in the dispute between the Government and the Communists and that peace talks are going to be resumed. That this rumor was without foundation at all and that it was designed to confuse the minds of the people have already been pointed out by the Central Government authorities. However, the matter is not so simple, for every discerning person can see that this rumor was designed to impair the Government's stand and hinder the discussion on US aid to China. This indicates that foreign countries, especially the United States, do not have a correct understanding of the Chinese Government, and their misconceptions about the bandit-suppression campaign in this country have really developed into a very serious stage.

"As far as this rumor is concerned, the most evident and pernicious thing about it is that it was circulated right after Ambassador Stuart had issued his statement. On February 8, Ambassador Stuart took the unprecedented action of making a direct appeal to the Chinese people. On February 21, he granted an interview to a *UP* correspondent, explaining that his appeal had been motivated by his belief that the Kuomintang-Communist peace talks could be resumed. . . No wonder the rumor of Soviet Russia's offered mediation came into circulation.

"Although Ambassador Stuart in his interview with the *UP* stressed that he did not voice opposition to the Chinese Government in his appeal to the Chinese people, and that he sincerely supported the Chinese Government, yet his diplomatic language could not cover up his strong views. Obviously, he does not sincerely like the Chinese Government otherwise he would not have suggested that 'those who have awakened politically will unite of their own accord, give up the civil strife and seek a solution.' Nor would he have ignored the fact that the Communist bandits have been engaged in an armed rebellion and that the Political Consultative Council has proved a miserable failure.

"The views expressed by Ambassador Stuart cannot clarify the people's thinking. On the contrary, they have been suspected of being helpful to the Communists. This probably is not a proper attitude for a foreign envoy to take."

NEW BOOKS OF INTEREST

DONALD OF CHINA, *by Earl Albert Selle. Published by Harper & Brothers, New York and London, 1947. pps. 347. Reviewed by H.M.S. US$3.50.*

"DONALD of China" is a first book written by Earl Albert Selle. It is the story of William Henry Donald, Australian newspaperman and his experiences in the turmoil of Chinese politics covering a period of almost 40 years. He never wished to be called "Adviser" as in his humorous way he claimed that "nobody ever took his advice." He has long been well known in the Far East, and since the Sian incident in 1936 his name has received world wide publicity.

It is difficult to evaluate the historical significance of his career, which must be left to the historians, but it is certain that few individuals in this century have lived a more interesting life and enjoyed it so fully. He was a great man, truly a product of our democratic ideology, unafraid to speak his mind at any time or place, and holding true to high ideals. He was completely natural in manner, and all classes of people responded readily to his ready and warm humor. But his ability to make friendship with Chinese leaders and obtain their confidence to the extent that they relied on his judgment in matters of State requires some analysis. Donald's integrity was probably the main factor; most men as they rise in their field of endeavor increasingly reveal their desire for worldly goods or the prequisites of power. In Donald's case he was truly indifferent to any such lures, his reward was his enjoyment in the friendships he made, and in his acting in the important scenes in the play of world events.

He loved to yarn about his experiences. As a raconteur not only of his own dramatic experiences but of humorous tales he should rank among the great. This book is largely a series of his favorite anecdotes strung together by the rather too heavy and melodramatic hand of the author.

To illustrate the lighter vein of his stories the following is a good example.

During his trip to the South Seas, Donald was strolling along the beach on one of the Soloman Islands, where the jungle closely bordered the sand, when suddenly a huge native sprang out from the bush. "War you go boss?" queried the fuzzy headed creature who was holding a long gleaming knife. Donald, startled, replied, "Oh, just go for walk. Where you go?" To which the native grinned happily and said: "Me go gov'ment house, play cricket."

It has been realized by many that Donald's story should be written and it is rather disappointing that someone more familiar with his career and enjoying his confidence could not have undertaken the work. Rodney Gilbert or H. J. Timperley would have been excellent choices. Donald himself could have done it well, his writing was sonorous, the old fashioned journalistic style, and would have fitted the subject matter. He lived too full and busy a life to tackle the job until too late, and in discussing it always laughed and said it could not help but contain too many "I's." There were also undoubtedly many confidences of living men that he did not care to divulge, and when many of his papers were destroyed in Nanking in 1937 and in Manila he was greatly handicapped.

The present book is interesting, and particularly so as there are so few books written about the Chinese Revolution which give the true background. However, it is not a good biography, nor is it Donald's story as he told it. There are inaccuracies of fact, conversations are invented, and Donald after seeing the rough drafts of the early chapters expressly advised that publication was not authorized by him.

Donald's many friends, however, are glad to have some remembrance of his personality in the form of this book even though it might be felt that it does not do justice to the stature of the man. His keen wit, courage and honesty, sincere love for China and loyalty to friends will be long remembered.

Practical Ideas

PSYCHIATRY FOR EVERYMAN. *By J.A.C. Brown. N.Y. Philosophical Library, 1947. 247 pages, index. U.S.$3.00. Reviewed by F. M. Roberts.*

A normal person accepts the fact that he is healthy, mentally or physically, and is therefore not interested in becoming healthy. There is a story of an individual telling Mr. Churchill:

"I get up at six, take an hour's walk, eat a moderate breakfast. In the afternoon I walk again, and in the evening eat a light supper. I neither smoke nor drink, and I am 100 percent fit." Mr. Churchill replied: "I take no exercise. I eat too much, smoke too much and drink what I like. I do too much work, and I am 200 percent fit."

One might conclude from this anecdote that a normal person is not likely to be interested in a book dealing largely with the abnormal. Yet the intrusion of psychology and psychiatry into every phase of contemporary life makes the normal person desirous of knowing "what it is all about."

The author of *Psychiatry for Everyman* explains the differences between the three great schools of psychiatry, i.e. of Freud, Jung, and Adler. Freud's psychoanalysis is based upon the unconscious mind and the concept of repression. Jung's analytical psychology accepts most of the fundamentals of Freud's theory of repression, conflict, symbolism and the unconscious mind, but interprets them differently. Jung uses a more mystical outlook, less hurtful to man's self-respect. Alfred Adler, a colleague of Freud, also accepts the phenomena of the unconscious and repression, but diverges from Freud in his attitude toward the fundamental drive in life: to Freud it is sex, to Adler the desire for power.

The author also reviews the background of psychiatric development and gives general aspects of the subject as his title indicates. One finds chapters on psychopathology, how the mind works in disease; psychosis, or insanity; neurosis, "a state of perplexity or frustration in which the intuitive nature wants to take one course and the conscious mind another;" and psychopathic states of people, those who are in some way ill-adapted to social life.

Fortunately the author does not urge self-analysis, yet he gives some practical ideas which normal people may use to advantage.

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[1]Sydenstricker, *Am. J. Public Health*, Vol. 31, p. 344, April, 1941.

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